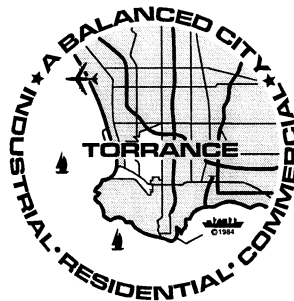


CITY OF TORRANCE

2ND QUARTER (MID-YEAR) BUDGET REVIEW



2008-09

Agenda

AGENDA

FINANCE AND GOVERNMENTAL OPERATIONS COMMITTEE

Date: Tuesday, April 21, 2009
Time: 5:00 PM
Place: Council Chambers
Committee Members: Councilman Bill Sutherland, Chair
Councilman Cliff Numark, Member
Councilwoman Susan Rhilinger, Member
Subject: 2008-09 Second Quarter (Mid-Year) Budget Review

OPENING REMARKS	Chair, Bill Sutherland
INTRODUCTION	Mary K. Giordano Assistant City Manager
2 nd QUARTER PRESENTATION	Eric E. Tsao Finance Director
INVESTMENT STATUS	Linda M. Barnett Deputy City Treasurer
QUESTIONS & DISCUSSION	Committee/Audience
SUMMARY	Mary K. Giordano
CLOSING REMARKS	Chair, Bill Sutherland

(THIS PAGE LEFT INTENTIONALLY BLANK)

**Executive
Summary**

Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Members of the Committee:

Subject: Mid Year 2008- 09 Budget Review

RECOMMENDATION

The City Manager and the Finance Director recommend that the following items be approved by the Finance and Governmental Operations Committee and recommended to City Council for action:

- Accept the Mid Year 2008-09 Budget Review Report
- Accept the City Treasurer's Investment Report
- Approve the program modifications for the following departments: City Manager's Office/Cable, Community Development and Public Works.

EXECUTIVE SUMMARY

On January 27, 2009 staff presented to the Committee an update to the 1st Quarter 2008-09 Budget Review Report. At the January meeting, staff reported on the latest revenue collections (January 2009) for the general fund. Staff stated that sales tax receipts for the 3rd Quarter (calendar) came in below original budget estimates and that receipts in this area would continue to reflect the direction of the economy. The two triple flip amounts received were slightly less than budgeted, but the annual projected variance is not material. The first major installment of property taxes, which represents 40% of the annual amount, was slightly higher than originally projected.

Several of the top five major revenues sources, which represent 80% of the general fund, Sales Tax, Utility Users' Tax, Property Tax, Occupancy Tax and Business License taxes are impacted by the economy.

As of January 31, 2009 the overall general fund revenues collected is tracking slightly below last year; 55.5% or \$93.9 million of the budget has been realized as compared to 56.1% or \$92.4 million for the same time period last year.

The City's economy driven revenues continue to under-perform. Job losses and unemployment continue to increase in Los Angeles County as the unemployment rate for February reached 11.0%. Torrance's unemployment rate of 5.5% continues to trend below Los Angeles County and the National unemployment rate of 8.1% for the same period.

While the economic recession is not over, more economists are projecting that the economy is "leveling off". Whether those projections are accurate or not, more importantly is that the

financial markets are performing as if there is more “certainty” than “uncertainty”, which has a stabilizing effect.

The financial markets have been in turmoil. As reported in the 1st Quarter 2008-09 Budget Review (November 20), the Dow Jones Industrial (DJI) closed at 7,552 down close to 3,300 points from September 30, a drop of 30%. The market dropped as low as 6,547 on March 9 but has come back to close at 8,125 today.

Other news that shows the economy is leveling off is that several banks are reporting profits and money is moving into consumer products, as well as financial companies, as there are signs that the recession could be easing. Money is flowing into companies like Proctor and Gamble, as well as technology companies, which some economists believe is an indicator that perhaps the economy is leveling.

Even though both the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) and the Producers Price Index (PPI) in Los Angeles are in decline, the talk of deflation has been discounted and inflation is projected to be moderate in the near term.

Index	Apr-08	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan-09	Feb	Mar
CPI – L.A. County	3.7%	4.1%	6.1%	6.6%	5.7%	5.0%	3.5%	0.6%	-0.6%	-0.6%	-0.5%	-1.6%
CPI - National	4.2%	4.5%	5.6%	6.2%	5.9%	5.4%	3.8%	0.7%	-0.5%	-0.5%	-0.3%	-0.9%
PPI	11.4%	13.3%	15.5%	17.6%	16.0%	13.7%	6.9%	-1.1%	-4.1%	-5.4%	-7.1%	-10.6%

The housing market may be stabilizing as the most recent home sales data for March in Los Angeles County shows significant gains for the 3rd consecutive month. Median home prices rose \$10,000 over February 2009 but are still down 32% from the prior year. Foreclosures and short sale activity spiked dramatically in March and this may cause downward pressure on prices in those areas with strong foreclosure resale activity, such as the Inland Empire. California has the 3rd highest foreclosure rate in the nation at 1 in 58 homes behind Nevada (1 in 27) and Arizona (1 in 54).

For Torrance, the median home price ranges from \$446,000 to \$670,000.

Name	Zip Code	Sale of Single Family Homes	Price Median 000's omitted	Price % Change from February 2008
Torrance	90277	3	\$650	-44.9%
Torrance	90501	7	\$446	-9.9%
Torrance	90503	15	\$595	-8.5%
Torrance	90504	8	\$450	-19.6%
Torrance	90505	15	\$670	-0.7%

Expenditures

All General Fund departments are within their overall budget as of period ending January 31, 2009 with the exception of the Police Department. The Police Department is projected to exceed budget by approximately \$700,000 by the end of the fiscal year. The largest variance is overtime for sworn personnel, projected to exceed budget by \$3.3 million which is comparable to \$3.2 million last year and \$2.4 million in 2006-07. Overtime is driven by activity in the City and by the number of vacancies in the department. Overtime is

constantly monitored by management for its effectiveness and efficiency. In previous years, the department was able to use other areas of the budget to offset overtime costs. However, due to rising costs for materials and professional services without corresponding increases to budget, the amount available to offset overtime costs has dwindled. As the department shifts to "Team Policing," which will enhance how police personnel are deployed throughout the City, the Police Department will work toward reductions in overtime costs in future years.

Overall expenditures for the General Fund for the period ending January 31, 2009 is \$96,539,709 which represents 54.7% of the annual budget of \$176,463,903. This is slightly better of 56.5% and 55.7% when compared to the prior two fiscal years respectively.

Revenues

The key revenue receipt, since our last report, was on March 20, 2009 for sales tax for the 4th quarter (calendar), while receipts for the 2nd and 3rd quarter were relatively flat of <0.2%> and <1.0%> from the previous year. The receipts for 4th quarter receipts declined dramatically, as expected, by <15%> from a year ago. As mentioned during 1st Quarter, the Natural Gas (refinery) component of the City's UUT is tracked closely with the price of oil and as oil has dropped, so has the natural gas commodity costs. Since January, the cost of natural gas has dropped from \$5.37 mmbtu to \$3.55, a drop of 34%. Due to this dramatic drop in the commodity costs the projection for UUT has been revised accordingly.

Description	Budget 2008-09	Actual as of 03/31/2009	Actual As of 03/31/2008	Projection (Jan-09) Surplus/Deficit	Revised Projection Surplus/Deficit
Property Tax	\$ 28,154,100	\$ 17,536,458	\$ 16,757,736	\$ 400,000	(\$300,000)
Vehicle License Fee Swap	10,750,000	5,478,617	5,197,804	-	210,000
Prop Transfer Tax	600,000	332,286	490,517	(200,000)	(150,000)
Sales Tax	32,666,889	22,586,636	24,026,292	(3,300,000)	(3,300,000)
Sales Tax Flip	10,315,000	4,981,929	5,667,103	-	(350,000)
Public Safety Augmentation Fund	1,364,979	988,621	1,054,978	(50,000)	(80,000)
Utility Users' Tax	37,172,922	26,533,491	26,707,568	400,000	(1,400,000)
Business License	7,832,000	7,713,246	7,429,587	-	400,000
Franchise Tax	4,708,580	1,426,611	1,422,723	-	750,000
Occupancy Tax	7,892,629	6,589,831	6,118,313	(450,000)	(250,000)
Other Taxes	935,130	519,102	837,271	-	-
In Lieu & Transfer	14,212,170	11,267,128	10,486,911	-	280,000
Interest Income	3,121,000	2,888,884	2,973,869	1,000,000	1,500,000
Charges for Service	9,506,314	5,655,366	6,684,077	(200,000)	(380,000)
Total	\$169,231,713	\$114,498,206	\$115,854,749	(\$2,400,000)	(\$3,070,000)

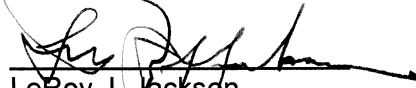
Staff has revised revenues to fall below budget by approximately \$3.0 to \$4.0 million. Based on the City's expenditure pattern to date, staff is projecting expenditure savings to be between \$4 to \$6 million net of year end encumbrances. This would keep the current fiscal year budget balanced.

Respectfully submitted,



Eric E. Tsao
Finance Director

CONCUR:


LeRoy J. Jackson
City Manager

**Revenue
Overview**

2008-09 BUDGET ANALYSIS
January 31, 2009
GENERAL FUND REVENUE STATUS
(Schedule A)

The General Fund fiscal year 2008-09 budget estimate for revenues is \$169,231,713, of which \$93,890,037, or 55.5%, was received through January 31, 2009, compared to \$92,392,223 or 56.2% in the prior year. As reported last year, the financial statements below present budgeted revenues on both an annual and seasonal basis. The annual budget represents the entire amount expected to be received by year end. The seasonal budget renders an additional perspective as it informs the reader monthly of the anticipated amount expected to be received each month based on prior year trends. The seasonal budget (the amount projected to be received by January 31, 2009) was \$92,190,820 of which \$93,890,037 was actually received representing 101.8% compared to \$92,392,223 or 106.2% received in fiscal year 2007-08. As of January 31, 2009 actual revenues received are slightly better than last year on an annual basis and the cumulative monthly receipts are exceeding the City's seasonal budget plan. Revenue as a percent of annual budget is slightly below that of last year (55.5% vs. 56.2%).

There are many General Fund revenues that are not realized until after January such as business license tax, franchise fees, triple flip monies from the State, etc. Additionally, certain revenues were received late due to the State of California withholding payments to the City caused by the State's 2008-09 budget impasse. Timing issues and other factors resulted in budget variances that are discussed in more detail in the revenue categories listed below.

The following schedules present the City's key revenue sources with comments as to their realization potential and a projection of under or over-realization compared to budget by fiscal year-end.

	Annual Budget	Seasonal Budget 2008-09	Actual 01/31/2009	Actual % Of Annual	Actual % Of Seasonal	Actual 2007-2008	Actual % Of Annual 2007-2008
Tax Revenues:							
Property Taxes	\$ 28,154,100	\$15,414,940	\$ 16,318,626	58.0%	105.9%	\$15,385,153	60.3%
VLF Swap & Repayment	10,750,000	5,157,500	5,478,617	51.0%	96.6%	5,197,805	53.3%
Real Prop. Transfer Tax	600,000	330,000	263,254	43.9%	79.8%	442,258	73.7%
Sales and Use Taxes	32,666,889	19,110,130	17,814,266	54.5%	93.2%	18,076,832	52.7%
Sales Tax Flip	10,315,000	5,375,000	4,981,929	48.3%	101.9%	5,667,103	52.4%
PSAF ½ Sales Tax	1,364,979	796,239	773,736	56.7%	97.2%	804,168	61.3%
Utility Users Tax	37,172,922	20,907,551	21,304,121	57.3%	101.9%	20,647,081	57.9%
Business License Tax	7,832,000	2,873,200	4,008,093	51.2%	139.5%	3,145,903	41.5%
Franchise Tax	4,708,580	468,672	1,002,651	21.3%	213.9%	945,386	20.5%
Occupancy Tax	7,892,629	5,573,556	5,302,892	67.2%	95.1%	5,634,077	75.7%
Other Taxes	935,130	543,900	430,227	46.0%	98.8%	583,809	65.3%
Totals	\$142,392,229	\$76,550,688	\$77,678,412	54.6%	101.5%	\$76,529,575	55.3%

Property Tax: As of January 31, 2009, actual property tax received totaled \$16,318,626 or 58.0% of the annual budget compared to \$15,385,153 or 60.3% last year. Actual property taxes received through January 31, 2009 as a percent of annual budget is approximately 2.3% below last year's collection rate. The seasonal budget is always projected at 100%. Any amount received over or below the seasonal percentage would result in a variance. Property tax revenues are primarily received in December and April of each year. The positive variance at this time can be misleading as the majority of this revenue source will not be received until April of this year. However, there are signs in the local economy that reflect various slowdowns in the housing market which may have an impact on year-end projections.

California, as well as Los Angeles County, is experiencing a housing downturn. Foreclosures both in the State and in Los Angeles County are increasing as borrowers, particularly the sub-prime market, are finding more restrictions and higher rate loans and declining home values. Over the past few years, the City has been conservative in its budget projection for property tax revenues projecting slow growth in this area. Rising home foreclosures, slumping home values and a decline in home sales is a concern of staff and, as such, this revenue is projected to be slightly under realized by approximately \$300,000.

Also included in this section of the budget is the vehicle license fee revenue source, with an annual budget of \$10.8 million, and the sales tax "triple flip" revenue source, with an annual budget of \$10.3 million. Fifty percent of the flip moneys have been received and the annual combined amounts are expected to be short of budget projections by approximately \$140,000.

Sales Tax: Sales tax is the City's largest revenue source in the General Fund, inclusive of the sales tax "flip". Sales tax revenues are derived from multiple sources.

The following segment information is being provided as a tool to assist Council in understanding the source of the City's sales tax revenues.

**Sales Tax by Economic Segment
October 2008 – December 2008**

Category	Percentage
Auto Sales - New	15.80 %
Department Stores	12.30 %
Restaurants	9.50 %
Miscellaneous Retail	8.80 %
Leasing	6.60 %
Service Stations	6.20 %
Furniture/Appliance	5.70 %
Apparel Stores	5.60 %
Bldg. Materials - Retail	4.30 %
Auto Parts/Repair	3.10 %
Office Equipment	3.00 %
All Others	19.10 %
TOTAL	100.00%

Top 5 Sales Tax Producers by Economic Segment				
Description	Y.E. 12/31/08	Y.E. 12/31/07	Variance	%
Auto Sales New	\$ 6,044,081	\$ 7,365,753	\$ (1,321,672)	-17.94%
Department Stores	\$ 4,718,586	\$ 5,079,741	\$ (361,155)	-7.11%
Restaurants	\$ 3,659,107	\$ 3,713,902	\$ (54,795)	-1.48%
Misc Retail	\$ 3,377,678	\$ 3,501,228	\$ (123,550)	-3.53%
Leasing	\$ 2,530,350	\$ 2,430,945	\$ 99,405	4.09%

The 2008-09 seasonal sales tax budget for the first seven months is \$19,110,130 with actual revenues received for the same period totaling \$17,814,266 compared to \$18,076,832 last year. Approximately 93.2% of the seasonal budget has been received. As mentioned above, seasonal budget receipts should be 100%. Any variance over or above this level raises concerns. The decline in sales tax revenues is directly related to the slowdown in the local economy. Specifically, retail sales and automobile sales are highly sensitive to the California economy, which is currently reflecting a decline in sales activity compared to last year.

The annual budget for sales tax revenues is \$32.7 million of which 54.5% has been received compared to 52.7% last fiscal year. Although the year over year comparison is favorable, each actual monthly amount received has been below the monthly estimate. The sluggish economy is a concern at the federal, state and local level. This revenue source is highly sensitive to the economy so much so that it will be monitored daily. At present, the revenue source is expected to be below budget projections by \$3.3 million at fiscal year end.

Utility Users' Tax: Utility Users' Tax (UUT) is the City's second largest revenue source in the General Fund. UUT is a tax applied on consumption of utilities such as gas, electric, water, etc. Due to the volatility of the use of the various utilities, the Finance Department has included a more detailed perspective of this revenue source to better inform the readers of this report.

	Annual Budget	Seasonal Budget 2008-09	Actual 01/31/2009	Actual % Of Annual	Actual % Of Seasonal	Actual 2007-2008	Actual % Of Annual 2007-2008
Utility Users' Tax:							
Electricity	\$ 15,406,368	\$9,312,174	\$9,699,683	63.0%	104.2%	\$ 9,333,797	60.5%
Gas:							
Refineries	6,688,691	3,263,899	3,198,044	47.8%	98.0%	3,160,557	54.0%
Other	3,239,554	1,498,252	1,609,407	49.7%	107.4%	1,421,058	45.0%
Water	1,639,325	956,280	977,748	59.6%	102.2%	958,648	64.8%
Cable	1,682,702	981,577	961,830	57.2%	98.0%	959,492	58.8%
Telecom/Cellular	8,511,043	4,890,130	4,854,985	57.0%	99.3%	4,810,414	58.3%
Miscellaneous	5,239	5,239	2,424	46.3%	46.3%	3,115	61.3%
Totals	\$ 37,172,922	\$20,907,551	\$21,304,121	57.3%	101.9%	\$20,647,081	57.9%

The fiscal year 2008-09 annual budget estimate of \$37,172,922 is 4.2% more than the 2007-08 budget. At January 31, 2009, actual receipts totaled \$21,304,121 or 101.9% of the seasonal budget, compared to \$20,647,081 during the same period last year. Utility Users' Tax revenue is comprised of multiple component elements such as water, electricity, gas, etc. The individual component elements are highly sensitive to consumer utility user habits, which fluctuate throughout the year and, as such, the component items vary from their respective budget levels. This year UUT started showing a positive growth pattern due to the high natural gas prices

earlier in the fiscal year; however, natural gas prices have declined approximately 34% during the third quarter (January through March) which is now causing revenues to decline significantly. Additionally, electricity began the year showing a positive growth pattern but has leveled off starting in January and is now dropping below budget projections. This revenue source is projected to be below budget by approximately \$1.4 million.

Business License Tax: The January 31, 2009 seasonal budget estimate is \$2,873,200. Actual revenues received through January 31, 2009 totaled \$4,008,093 or 139.5%, compared to 175.2% last year. It should be noted that this revenue source's annual renewals are billed in mid-December, due on January 1, and delinquent on February 1. Therefore, substantially all receipts are realized in the third quarter. The annual budget for the business license tax is \$7.8 million and it is projected that the budget will be over-realized by approximately \$400,000.

Franchise Payments: The majority of all franchise payments are received in the fourth quarter. As of January 31, 2009, actual revenues received are higher than the seasonal budget and are outpacing last year's actual. The franchise annual budget is \$4.7 million and staff is projecting the annual franchise revenues to be approximately \$750,000 over budget projections.

Occupancy Tax: As of January 31, 2009, 95.1% of the seasonal budget estimate has been received, compared to 107.9% in the prior year. The decrease this year represents a decline in the market as hotels are experiencing low occupancy rates. At this time, actual revenues for the year are expected to be approximately \$450,000 below the budget forecast.

	Annual Budget	Seasonal Budget 2008-09	Actual 01/31/2009	Actual % Of Annual	Actual % Of Seasonal	Actual 2007-2008	Actual % Of Annual 2007-2008
Licenses and Permits:	\$ 2,139,510	\$ 1,243,990	\$ 878,872	41.1%	70.6%	\$ 1,103,402	53.3%

The fiscal year 2008-09 annual budget estimate of \$2,139,510 represents a 3.9% increase from last year's budget. As of January 31, 2009, \$878,872 has been received compared to \$1,103,402 last year. The decrease in collections is primarily caused by building and construction permit activity in the City. This revenue source is not expected to equate budget.

	Annual Budget	Seasonal Budget 2008-09	Actual 01/31/2009	Actual % Of Annual	Actual % Of Seasonal	Actual 2007-2008	Actual % Of Annual 2007-2008
Revenues from Other Agencies:							
State Motor Vehicle Licenses	\$ 759,625	\$ 443,115	\$ 266,186	35.0%	60.1%	\$ 384,710	50.6%
Other Revenues from Agencies	250,000	175,000	224,986	90.0%	128.6%	215,695	86.3%
	\$ 1,009,625	\$ 618,115	\$ 491,172	48.6%	79.5%	\$ 600,405	59.5%

Motor Vehicle-In-Lieu: The budget for this revenue source has remained unchanged from last year's amount of \$759,625. The January 31, 2009 seasonal budget is estimated at \$443,115 and actual revenues received totaled \$266,186 or 60.1% compared to \$384,710 last year. This revenue source is projected to be slightly below budget estimates.

Other Revenues from Agencies: This revenue consists of subventions from the State for the homeowners' property tax exemption, budgeted at \$125,000, and Other State Revenue. At present, budgeted revenues are expected to be realized.

	Annual Budget	Seasonal Budget 2008-09	Actual 01/31/2009	Actual % Of Annual	Actual % Of Seasonal	Actual 2007-2008	Actual % Of Annual 2007-2008
Fines and Forfeitures:	\$ 1,365,726	\$ 796,686	\$ 839,011	61.4%	105.3%	\$ 990,485	73.5%

Fines and Forfeitures: This revenue source is an estimate of general court, traffic fines, and parking citation income the City will receive. As of January 31, 2009, \$839,011 has been received compared to \$990,485 last year. A decline in revenue received compared to last year exists; however, the annual fiscal year 2008-09 budget of \$1,365,726 is expected to be achieved.

	Annual Budget	Seasonal Budget 2008-09	Actual 01/31/2009	Actual % Of Annual	Actual % Of Seasonal	Actual 2007-2008	Actual % Of Annual 2007-2008
Use of Money and Property:							
Investment Earnings	\$ 3,121,000	\$ 1,820,590	\$ 2,474,803	79.3%	135.9%	\$ 2,457,305	82.7%
Other	901,174	511,109	319,078	35.4%	62.4%	307,622	35.2%
	<u>\$ 4,022,174</u>	<u>\$ 2,331,699</u>	<u>\$ 2,793,881</u>	<u>69.5%</u>	<u>119.8%</u>	<u>\$ 2,764,927</u>	<u>71.9%</u>

Investment Earnings: The actual receipt rate through the first seven months of fiscal year 2008-09 is 135.9%. The increases in actual revenue received are derived from higher cash balances and conservative budgeting. The annual budget for this group of accounts totals \$4.0 million. This revenue source's budget will be over-realized by approximately \$1.5 million.

	Annual Budget	Seasonal Budget 2008-09	Actual 01/31/2009	Actual % Of Annual	Actual % Of Seasonal	Actual 2007-2008	Actual % Of Annual 2007-2008
Charges for Current Services:							
Construction/Engineering & Other Charges for Services	\$ 4,090,279	\$ 2,088,762	\$ 1,975,174	48.3%	94.6%	\$ 2,158,096	52.8%

Other Charges: This category summarizes construction-related fees, engineering fees, library fines, fire fees, etc. Actual revenues as of January 31, 2009 are at 94.6% of the seasonal budget. These revenues are expected to remain constant, resulting in the annual budget of \$4.1 million being under-realized by approximately \$250,000.

	Annual Budget	Seasonal Budget 2008-09	Actual 01/31/2009	Actual % Of Annual	Actual % Of Seasonal	Actual 2007-2008	Actual % Of Annual 2007-2008
Other Revenues:	\$ 14,212,170	\$ 8,560,880	\$ 9,233,515	65.0%	107.9%	\$ 8,245,333	61.4%

Other Revenues: This category represents miscellaneous revenues to the City, including operating transfers not categorized into specific revenue types. As of January 31, 2009, the annual budget of \$14.2 million is expected to be realized.

	Annual Budget	Seasonal Budget 2008-09	Actual 01/31/2009	Actual % Of Annual	Actual % Of Seasonal	Actual 2007-2008	Actual % Of Annual 2007-2008
Total General Fund Revenues:	\$169,231,713	\$92,190,820	\$ 93,890,037	55.5%	101.8%	\$92,392,223	56.2%

(THIS PAGE LEFT INTENTIONALLY BLANK)

EXPENDITURE OVERVIEW

All General Fund departments are within their overall budget as of second quarter ended January 31, 2009 with the exception of the Police Department. The Police Department is projected to exceed budget by approximately \$700,000 by the end of the fiscal year. The largest variance is overtime for sworn personnel, projected to exceed budget by \$3.3 million as compared to \$3.2 million last year and \$2.4 million in 2006-07. Overtime is driven by activity in the City and by the number of vacancies in the department. Overtime is constantly monitored by management for its effectiveness and efficiency. In previous years, the department was able to use other areas of the budget to offset overtime costs. However, due to rising costs for materials and professional services, without corresponding increases to budget, the amount available to offset overtime costs has dwindled. As the department shifts to "Team Policing," which will enhance how police personnel are deployed throughout the City, the Police Department will work toward reductions in overtime costs in future years.

A discussion of General Fund expenditures is shown below. Also shown is the Enterprise and Internal Service Fund Financial Statement Summary (revenues and expenditures budget to actual) as of second quarter compared to last fiscal year 2007-08.

GENERAL FUND EXPENDITURES

The General Fund budget expenditure level, including prior year encumbrances for the fiscal year, is \$176,463,903 of which \$96,539,709 has been expended as of January 31, 2009. Expenditures are 54.7% of budget estimate at January 31, 2009, compared to 56.5% and 55.7% in the prior two years. The category of expenditure levels are as follows:

	<u>Fiscal Year</u> <u>2008-09</u>	<u>Fiscal Year</u> <u>2007-08</u>	<u>Fiscal Year</u> <u>2006-07</u>
Salaries and Benefits	57.0%	56.4%	56.0%
Materials, Supplies, Services	49.3%	56.8%	55.1%

Specific comments regarding departmental expenditures are presented in the individual department tab and departments were requested to comment on unusual expenditure patterns.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for financing of goods or services provided by one City department to other departments of the City and to other governmental units on a cost-reimbursement basis. The City currently has two Internal Service Funds: Self-Insurance and Fleet Services. The Self-Insurance Fund is used to finance and account for the City's risk management, liability claims and self-insurance programs. The Fleet Services Fund is used to finance and account for the City's vehicular equipment. The following summary compares second quarter results to budget estimates. Financial statements for each Internal Service Fund are presented in Schedules D through E-2.

SELF INSURANCE
FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2007-08</u>
Self-Insurance				
Revenues	\$2,402,688	\$1,449,866	60.3%	59.8%
Expenses	(4,980,323)	(3,601,458)	72.3%	55.0%
Operating income (loss)	(2,577,635)	(2,151,592)		
Operating transfers in	2,278,763	1,649,933	72.4%	75.5%
Operating transfers out	(5,518)	(3,546)	64.3%	58.9%
Net income (loss)	\$ (304,390)	\$ (505,205)		

Actual revenues are within budget as of the second quarter. However, expenditures are higher this year compared to last fiscal year due to a large settlement claim in the amount of \$670,425 that was paid in January 2009.

Operating Transfers-In includes a \$748,763 transfer from the General Fund carryover loss allocation savings to fund future workers compensation and settlement claims. This transfer was approved by Council on December 9, 2008 item 12D. Also included in the Operating Transfers In account is a total subsidy of \$830,490 from the General Fund and a transfer from Transit Fund of \$70,680 as partial payment for a settlement claim.

FLEET SERVICES FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2007-08</u>
Fleet Services				
Revenues	\$5,748,011	\$3,648,579	63.5%	67.7%
Expenses	(6,042,474)	(3,123,754)	51.7%	61.7%
Operating income (loss)	(294,463)	524,825		
Operating transfers in	1,104,595	871,260	78.9%	58.8%
Operating transfers out	(17,749)	(14,338)	80.8%	58.8%
Vehicle Acquisitions	(5,522,801)	(1,604,212)	29.0%	19.3%
Add: Depreciation	2,200,000	1,002,391		
Change in cash available after after veh acq/depr	\$(2,530,418)	\$ 779,926		

Fleet Services revenues and expenses are within budget as of the second quarter. The percentage of budget to actual for revenues this year is lower than last year due to a \$150,000 revenue budget adjustment for interest income this year to be more in line with actual receipts at year end. Actual interest income is comparable to last year. In addition, last fiscal year's revenues included a reimbursement from the Property Room Evidence fund for the purchase of police motorcycles in the amount of \$67,788 approved by Council on December 4, 2007. This year, Fleet Services do not have a similar reimbursement.

Expenditures are also within budget but lower compared to last fiscal year. Last fiscal year, Fleet purchased 29 diesel fuel particulate filters in the amount of \$403,200.

Operating Transfers-In include a total transfer of \$186,600 from General Fund Reserve for Alternative Fuel Vehicles that helped offset the propane vehicle cost premium approved by Council on September 15, 2008 and November 15, 2008 for the propane fueled dump and chipper trucks.

Vehicle acquisitions are higher this fiscal year compared to last fiscal year. The expenditures for vehicle acquisitions are at 29% of budget but there are outstanding encumbrances for vehicle acquisitions of \$3,249,753 as of January 31, 2009.

ENTERPRISE FUNDS

Enterprise Funds are used to account for fee-supported businesses operated by the City. Net earnings of these funds provide working capital for maintenance and betterment of the equipment and fixed assets of the business. The following summary compares second quarter results to budget estimates. Financial statements such as the Balance Sheet, Statement of Revenues and Expenses and Cash Flow Statement for each Enterprise Fund are presented in Schedules F through M-4.

AIRPORT FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2007-08</u>
Airport Fund				
Revenues	\$11,374,600	\$6,589,349	57.9%	58.3%
Expenses	(5,787,792)	(3,259,626)	56.3%	53.2%
Operating income (loss)	5,586,808	3,329,723		
Operating transfers out	(5,842,972)	(3,612,743)	61.8%	61.0%
Net income (loss)	<u>\$ (256,164)</u>	<u>\$(283,020)</u>		

The Airport Fund has two separate sub-funds to facilitate monitoring financial operations between aeronautical and non-aeronautical functions. Total revenues and expenses budget vs. actual as of second quarter are shown below:

AERONAUTICAL

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2007-08</u>
Airport Fund-Aeronautical				
Revenues	\$3,806,600	\$2,246,884	59.0%	58.1%
Expenses	(3,827,797)	(2,134,381)	55.8%	51.2%
Operating income (loss)	(21,197)	112,503		
Operating transfers out	(22,209)	(19,919)	89.7%	65.6%
Net income (loss)	<u>\$ (43,406)</u>	<u>\$ 92,584</u>		

NON AERONAUTICAL

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2007-08</u>
Airport Fund-Non Aeronautical				
Revenues	\$7,568,000	\$4,342,465	57.4%	58.3%
Expenses	(1,959,995)	(1,125,245)	57.4%	56.7%
Operating income (loss)	5,608,005	3,217,220		
Operating transfers out	(5,820,763)	(3,592,824)	61.7%	61.8%
Net income (loss)	<u>\$ (212,758)</u>	<u>\$ (375,604)</u>		

The aeronautical sub-fund reflects airfield operations. The revenues and expenses of Airport Aeronautical Fund as of second quarter are within budget. Expenses are higher than last fiscal year due to the slurry seal expenses for the airport pavement rehabilitation program.

The non-aeronautical sub-fund revenues are derived from revenue land leases. The properties on Pacific Coast Highway (PCH) host many of the City's auto dealerships. The automobile dealerships (on PCH) have land lease agreements with the City which are primarily based on percent of gross receipts. As reported in the General Fund revenue discussions, sales tax revenues including auto sales are directly impacted by the adverse economy. This revenue source is projected to not equate budget as a result of declining car sales by approximately \$250,000.

Expenses for Airport-Non Aeronautical are within budget as of second quarter and comparable to last year.

TRANSIT FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2007-08</u>
Transit Fund				
Revenues	\$20,192,208	\$8,175,796	40.5%	46.8%
Expenses	(23,652,898)	(12,236,874)	51.7%	54.2%
Operating income (loss)	(3,460,690)	(4,061,078)		
Operating transfers in	1,254,000	738,606	58.9%	59.0%
Operating transfers out	(171,493)	(111,942)	65.3%	58.8%
From fund balance	230,183	135,144	58.7%	58.8%
Add: Depreciation	2,148,000	1,113,487	51.8%	58.8%
Net income (loss)	<u>\$ -</u>	<u>\$ (2,185,783)</u>		

The Transit Fund uses Propositions A and C funds to supplement operating revenues. Revenues for the current year are lower than budget due to the timing difference in the receipts of these revenue sources. The revenues this quarter are lower than last quarter because \$420,176 of SB 325 allocation revenues were received from the County of Los Angeles in February compared to last fiscal year where these revenues were received in January. All other revenue sources are below percent of year expired due to timing issues related to the billing and receipt of funds from MTA. This is the reason why the Transit Fund is showing a net loss of \$2,185,783 as of second quarter.

Transit revenues are projected to be under budget by \$1.5 million this year due primarily to the State Transit Assistance (STA) revenues funding mark that was reduced by \$1.1 million by the State legislature to balance the State budget shortfall. Passenger cash fares are also projected to be short by approximately \$400,000 at year end. Passenger cash fares were anticipated to take place in the first quarter but the actual base fare increase took effect in January 2009. The \$1.5 shortfall will be offset by savings in salaries and other expenses.

Expenses are within budget as of the second quarter. Operating Transfers Out are higher this fiscal year compared to last fiscal year due to the annual transfers to Telephone, Data Communications and Radio Replacement Funds. These transfers were posted at the beginning of this fiscal year compared to last fiscal year where these transfers were posted on a monthly basis.

WATER FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2007-08</u>
Water Fund				
Revenues	\$26,060,410	\$14,636,499	56.2%	61.6%
Expenses	(26,655,654)	(13,822,665)	51.9%	50.1%
Operating income (loss)	(595,244)	813,834		
Operating transfers out	(31,429)	(25,470)	81.0%	57.4%
Net income (loss)	<u>\$ (626,673)</u>	<u>\$ 788,364</u>		

Actual revenues as of the second quarter are comparable to last fiscal year. However, the percentage of budget to actual is lower than last year due to the revenue budget adjustment for metered water sales this year to reflect the Metropolitan Water District pass through. Expenses are within budget as of the second quarter and comparable to last fiscal year. Transfers Out account includes the annual transfer to the various replacements funds such as Radio, Data Communications and Personal Computer replacement funds.

EMERGENCY MEDICAL SERVICES FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2007-08</u>
Emergency Medical Services Fund				
Revenues	\$ 1,125,000	\$679,951	60.4%	77.3%
Expenses	(9,654,786)	(5,245,570)	54.3%	49.9%
Operating income (loss)	(8,529,786)	(4,565,619)		
Operating transfers in	8,522,186	4,565,619	53.6%	46.8%
From Fund Balance	7,600			
Net income (loss)	<u>\$ -</u>	<u>\$ -</u>		

The Emergency Medical Services Enterprise Fund was created in fiscal year 2003-04. The revenue sources of this fund are the Fire Advanced Life Support Response (ALS) and transport fees, the medical re-supply fee and the paramedic medical facility fees. This fund also receives subsidy from the General Fund to fund operations and as of second quarter

also receives subsidy from the General Fund to fund operations and as of second quarter the subsidy was \$4,565,619. Revenues and expenses are within budget as of the second quarter. Actual revenues percentage to budget this year is lower than last fiscal year due to an increase in revenue budget this fiscal year to be more in line with actual receipts at year end. The budget last fiscal year is at \$933,760 while the current year budget for revenues is \$1,125,000 or an increase of \$191,240. Actual revenues received were comparable to last fiscal year.

SANITATION FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2007-08</u>
Sanitation Fund				
Revenues	\$10,875,654	\$6,527,121	60.0%	63.0%
Expenses	(11,243,379)	(5,741,935)	51.1%	56.4%
Operating income (loss)	(367,725)	785,186		
Operating transfers in	75,000	44,175	58.9%	58.8%
Operating transfers out	(331,214)	(330,721)	99.9%	99.9%
From fund balance	623,939	-		
Net income (loss)	<u>\$ -</u>	<u>\$ 498,640</u>		

The Sanitation Fund was created in the latter part of fiscal year 1992-93 to account for the refuse, recycling, waste management AB 939, and sewer maintenance operations. There was an increase in sanitation fee services that was approved in 2002-03. The fee was increased to maintain the current level of service and fund replacement containers and vehicle and equipment needs over the next five years. The annual fee increases was based on the Consumer Price Index (CPI-W) as of July 1, 2008. Revenues and expenses are within budget as of second quarter.

CULTURAL ARTS CENTER FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2007-08</u>
Cultural Arts Center Fund				
Revenues	\$802,000	\$470,188	58.6%	63.7%
Expenses	(2,083,254)	(1,193,774)	57.3%	55.6%
Operating income (loss)	(1,281,254)	(723,586)		
Non operating revenues	109,440	52,535	48.0%	47.6%
Operating transfers in	1,149,875	691,857	60.2%	49.7%
Operating transfers out	(14,975)	(12,221)	81.6%	80.0%
From fund balance	45,499	-		
Over (under) subsidy	<u>\$ 8,585</u>	<u>\$ 8,585</u>		

The Cultural Arts Center (CAC) revenue sources come from rental of meeting rooms, classrooms and theater. Revenues and expenses are within budget as of the second quarter. The percentage to actual in revenues is lower compared to last fiscal year's quarter, due to an increase of \$46,000 in the current year's budgeted revenues. Actual revenues are comparable to last fiscal year. The CAC Fund received subsidy from the General Fund of \$691,857 as of the second quarter.

SEWER FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2007-08</u>
Sewer Fund				
Revenues	\$2,734,500	\$1,334,811	48.8%	67.3%
Expenses	(2,192,968)	(1,060,097)	48.3%	51.2%
Operating income (loss)	541,532	274,714		
Operating transfers out	(75,000)	(44,175)	58.9%	58.8%
Net income (loss)	<u>\$ 466,532</u>	<u>\$ 230,539</u>		

The Sewer Fund was created effective July 1, 1994 to account for sewer discharge fees received for capital improvements to the City's sewer system. This need was identified after a City-wide sewer study was completed in late 1992. The study reflected many deficiencies within the sewer system with improvements that need to be accomplished by the year 2010. A sewer discharge fee increase was approved in fiscal year 2002-03. The annual increase this fiscal year was based on the Consumer Price Index (CPI). Actual revenues received this fiscal year are comparable to last fiscal year; however, the percentage of actual revenues to budget this year is lower than last fiscal year due to a \$500,000 increase in the sewer revenue budget. Actual expenses are lower than budget due mainly to greater utilization of staff's time on capital improvement projects where their regular salaries are charged directly to these capital projects.

PARKS AND RECREATION FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2007-08</u>
Parks and Recreation Enterprise				
Revenues	\$4,403,040	\$2,927,459	66.5%	67.9%
Expenses	(8,201,650)	(4,668,664)	56.9%	58.7%
Operating income (loss)	(3,798,610)	(1,741,205)		
Operating transfers in	3,746,904	1,791,042	47.8%	50.2%
Operating transfers out	(63,935)	(49,837)	77.9%	58.8%
Over (under) subsidy	<u>\$ (115,641)</u>	<u>\$ -</u>		

The Parks and Recreation Enterprise Fund was created effective July 1, 1994, to account for fee-related activities of the Parks and Recreation Department. The fund is supported by user fees and operating transfers from the General Fund. Operating revenues are higher than budget due to the higher volume of registrants for summer programs and continued high registration for youth sports and camp programs. Expenses are within budget as of the second quarter. This fund received a subsidy from the General Fund of \$1,791,042 as of the second quarter.

ANIMAL CONTROL FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2007-08</u>
Revenues	\$215,000	\$84,997	39.5%	29.0%
Expenses	(462,503)	(197,567)	42.7%	38.9%
Operating income (loss)	(247,503)	(112,570)		
Operating transfers in	238,648	112,570	47.2%	58.8%
Net Income (Loss)	<u>\$ (8,855)</u>	<u>\$ -</u>		

The Animal Control Fund was created in 2003-04 to account for animal licenses, permits, and operations of the Animal Control program. The bulk of the animal licensing revenue is received at the end of the fiscal year. At the inception of the Animal Control program, revenue projections were based upon estimates provided by Los Angeles County as to the number of dogs owned by Torrance residents. Revenue budget for this fiscal year was reduced by \$30,000 to be more in line with actual revenues received during the year. This is the reason why the percentage of budget to actual this year is higher than last fiscal year. Expenditures are lower than budget since the new animal control officer was hired at the end of September 2008. The expenses are higher this year compared to last year because a vacant position from last year was filled this year. Operating Transfers-In from the General Fund are recorded on an as needed basis. As of the second quarter, \$112,570 was transferred from the General Fund.

RIDESHARE FUNDS:

The Air Quality Management District Fund (AQMD) and Vanpool/Rideshare Fund are the two funds that are used to account for the City's rideshare program. The AQMD Fund accounts for the City's compliance with air quality management regulations and the Vanpool/Rideshare Fund is used to account for rideshare revenues from Proposition C and fares.

AIR QUALITY MANAGEMENT DISTRICT FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2007-08</u>
Revenues	\$175,500	47,723	27.2%	29.6%
Expenses	(196,237)	(106,617)	54.3%	56.8%
Operating income (loss)	(20,737)	(58,894)		
From fund balance	20,737	20,737	100.0%	100.0%
Net Income (Loss)	<u>\$ -</u>	<u>(\$38,157)</u>		

The AQMD revenues are lower than budget because the second quarter revenue of approximately \$42,000 is expected to be received in March 2009. Expenditures are within budget as of the second quarter.

VANPOOL RIDESHARE FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2007-08</u>
Revenues	\$65,000	\$38,430	59.1%	55.1%
Expenses	(248,620)	(146,578)	59.0%	53.4%
Operating income (loss)	(183,620)	(108,148)		
Other Grants	45,200	25,806	57.1%	55.6%
Operating transfers in	154,900	91,236	58.9%	58.8%
Net Income (Loss)	<u>\$16,480</u>	<u>\$8,894</u>		

Vanpool revenues this quarter are within budget but are higher compared to last fiscal year due to a revenue budget adjustment this year of \$8,275 to be more in line with actual receipts by year end. Actual expenditures are higher than budget compared to last year due primarily to the insurance expenses on the leased vehicles. The insurance expenses last year were absorbed by the department's operating budget rather than the Vanpool Rideshare Fund.

Schedules: Schedule A -- General Fund Revenue Summary - Annual Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule B -- Expenditures Summary by Fund -- Budget to Actual-All Funds With Annually Adopted Budgets for Second Quarter Ended January 31, 2009.

Schedule B-1 -- Expenditures Detail By Fund- Budget to Actual-All Funds With Annually Adopted Budgets-Salaries and Benefits Expenditures for Second Quarter Ended January 31, 2009.

Schedule B-2 -- Expenditures Detail By Fund- Budget to Actual-All Funds With Annually Adopted Budgets- Materials, Services, and Other Expenditures for Second Quarter Ended January 31, 2009.

Schedule B-3 -- Expenditures Summary-Budget to Actual-General Fund by Character for Second Quarter Ended January 31, 2009.

Schedule B-4 -- Adopted Budget and Amendments by Fund for Second Quarter Ended January 31, 2009.

Schedule C -- Internal Service and Enterprise Fund Revenue Summary-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule D -- Fleet Services-Combined Fund Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule D-1 -- Fleet Services Combined Fund Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule D-2 -- Fleet Services Combined Fund Statement of Cash Flows for Second Quarter Ended January 31, 2009.

Schedule D-3 -- Fleet-Operations and Maintenance Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule D-4 -- Fleet-Operations and Maintenance Statement of Cash Flows for Second Quarter Ended January 31, 2009.

Schedule D-5 -- Fleet-Vehicle Replacement Fund Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule D-6 -- Fleet-Vehicle Replacement Fund Statement of Cash Flows for Second Quarter Ended January 31, 2009.

Schedule E -- Self-Insurance Fund Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule E-1 -- Self-Insurance Fund Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule E-2 -- Self-Insurance Fund Statement of Cash Flows for Second Quarter Ended January 31, 2009.

Schedule F -- Airport Fund Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule F-1 -- Airport Fund Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule F-2 -- Airport Fund-Aeronautical Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule F-3 -- Airport Fund Non-Aeronautical Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule F-4 -- Airport Fund Statement of Cash Flows for Second Quarter Ended January 31, 2009.

Schedule G -- Transit Fund Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule G-1 -- Transit Fund Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule G-2 -- Transit Fund Statement of Cash Flows for Second Quarter Ended January 31, 2009.

Schedule G-3 -- Municipal Area Express (MAX) Combining Statement of Revenues, Expenditures and Changes in Fund Balance for Second Quarter Ended January 31, 2009.

Schedule H -- Water Fund Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule H-1 -- Water Fund Operations Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule H-2 -- Water Fund Statement of Cash Flows for Second Quarter Ended January 31, 2009.

Schedule I -- Emergency Medical Services Fund Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule I-1 -- Emergency Medical Services Fund Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule I-2 -- Emergency Medical Services Fund Statement of Cash Flows for Second Quarter Ended January 31, 2009.

Schedule J -- Sanitation Enterprise Fund Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule J-1 -- Sanitation Enterprise Fund Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule J-2 -- Sanitation Enterprise Fund Statement of Cash Flows for Second Quarter Ended January 31, 2009.

Schedule K -- Cultural Arts Center Enterprise Fund Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule K-1 -- Cultural Arts Center Enterprise Fund Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule K-2 -- Cultural Arts Center Enterprise Fund Budget to Actual by Programs for Second Quarter Ended January 31, 2009.

Schedule K-3 -- Cultural Arts Center Enterprise Fund Statement of Cash Flows for Second Quarter Ended January 31, 2009.

Schedule L -- Sewer Enterprise Fund Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule L-1 -- Sewer Enterprise Fund Operations Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule L-2 -- Sewer Enterprise Fund Operations Statement of Cash Flows for Second Quarter Ended January 31, 2009.

Schedule M -- Parks and Recreation Enterprise Fund Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule M-1 -- Parks and Recreation Enterprise Fund Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule M-2 -- Parks and Recreation – Recreation Services Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule M-3 -- Parks and Recreation – Cultural Services Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule M-4 -- Parks and Recreation Enterprise Fund Statement of Cash Flows for Second Quarter Ended January 31, 2009.

Schedule N – Capital Improvements Fund Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule N-1 -- Capital Improvements Fund Statement of Revenues, Expenditures and Changes in Fund Balance for Second Quarter Ended January 31, 2009.

Schedule O – Prop C Local Return/Grants and Discretionary Funds Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule O-1 -- Prop C Local Return/Grants and Discretionary Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances for Second Quarter Ended January 31, 2009.

Schedule P -- Torrance Public Financing Authority Restricted Capital Project Fund Statement of Revenues, Expenditures and Changes in Fund Balance for Second Quarter Ended January 31, 2009.

Schedule Q -- Meadow Park Redevelopment Capital Project Fund Statement of Revenues and Expenditures-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule Q-1 -- Downtown Redevelopment Capital Project Fund Statement of Revenues and Expenditures-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule Q-2 -- Low Moderate Income Housing Redevelopment Capital Project Fund Statement of Revenues and Expenditures for Second Quarter Ended January 31, 2009.

Schedule R -- Torrance Public Financing Authority Debt Service Fund Statement of Revenues, Expenditures and Changes in Fund Balance for Second Quarter Ended January 31, 2009.

Schedule S -- Skypark Redevelopment Debt Service Fund Statement of Revenues and Expenditures-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule S-1 -- Downtown Redevelopment Debt Service Fund Statement of Revenues and Expenditures-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule S-2 -- Industrial Redevelopment Debt Service Fund Statement of Revenues and Expenditures-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule T -- Housing Authority Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule T-1 -- Housing Authority Statement of Revenues and Expenses for Second Quarter Ended January 31, 2009.

Schedule T-2 -- Housing Authority Statement of Revenues and Expenses -- Housing Assistance- Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule T-3 -- Housing Authority Statement of Revenues and Expenses -- Administration- Budget to Actual- for Second Quarter Ended January 31, 2009.

Schedule U -- Selected Special Revenue Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances for Second Quarter Ended January 31, 2009.

Schedule V -- Cable & Community Relations/Public Access Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule V-1 -- Cable & Community Relations Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule V-2 -- Cable & Community Relations Statement of Cash Flows for Second Quarter Ended January 31, 2009.

Schedule V-3 -- Cable TV Public Access Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule V-4 -- Cable TV Public Access Cash Flows for Second Quarter Ended January 31, 2009.

Schedule W -- Animal Control Fund Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule W-1 -- Animal Control Fund Statement of Revenues and Expenses --Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule W-2 -- Animal Control Fund Statement of Cash Flows for Second Quarter Ended January 31, 2009.

Schedule X -- Air Quality Management District Fund Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule X-1 -- Air Quality Management District Fund Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule Y -- Vanpool/Rideshare Fund Balance Sheet for Second Quarter Ended January 31, 2009.

Schedule Y-1 -- Vanpool/Rideshare Fund Statement of Revenues and Expenses-Budget to Actual for Second Quarter Ended January 31, 2009.

Schedule A

GENERAL FUND REVENUE SUMMARY-ANNUAL BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED January 31, 2009 - 58.9% EXPIRED

	2008-2009	CURR YR YTD 7 MONTHS ACTUAL January 31, 2009	% OF BUDGET	FY 2007-2008 7 MONTHS ACTUAL January 31, 2008	% OF BUDGET
<u>TAXES</u>					
Property taxes	\$28,154,100	\$16,318,626	58.0%	\$15,385,153	60.3%
VLF Swap and repayment	10,750,000	5,478,617	51.0%	5,197,804	53.3%
Sales and use taxes	32,666,889	17,814,266	54.5%	18,076,832	52.7%
Sales tax flip	10,315,000	4,981,929	48.3%	5,667,103	52.4%
Utility users tax:					
Electricity	16,042,908	9,699,683	60.5%	9,333,797	55.4%
Gas:					
Refineries	6,033,086	3,198,044	53.0%	3,160,557	79.3%
Other	3,257,798	1,609,407	49.4%	1,421,058	49.4%
Water	1,639,325	977,748	59.6%	958,648	58.5%
Cable	1,682,702	961,830	57.2%	959,492	49.9%
Telecommunication/Cellular	8,517,103	4,857,410	57.0%	4,813,528	57.4%
Sub Total - Utility users tax	37,172,922	21,304,122	57.3%	20,647,080	57.9%
Business license tax/permit tax	7,912,000	4,081,407	51.6%	3,145,903	41.5%
Franchise tax	4,708,580	1,002,652	21.3%	945,386	20.5%
Occupancy tax	7,892,629	5,302,892	67.2%	5,634,077	75.7%
PSAF	1,364,979	773,736	56.7%	804,168	61.3%
Construction tax	825,130	352,065	42.7%	547,844	70.9%
Real property transfer tax	600,000	263,254	43.9%	442,258	73.7%
Oil severance tax	30,000	4,848	16.2%	4,215	14.1%
TOTAL TAXES	142,392,229	77,678,414	54.6%	76,497,823	55.3%
<u>LICENSES AND PERMITS</u>					
Construction permits/other license fee/permits	2,139,510	878,872	41.1%	1,103,402	53.6%
TOTAL LICENSES/ FEES	2,139,510	878,872	41.1%	1,103,402	53.6%
<u>FINES AND FORFEITURES</u>					
General court fines	229,000	227,483	99.3%	113,479	49.6%
Traffic fines/parking citations	1,136,726	611,529	53.8%	877,006	76.6%
TOTAL FINES/FORFEITURES	1,365,726	839,012	61.4%	990,485	72.1%
<u>REV-USE OF MONEY/PROPERTY</u>					
Investment earnings	3,121,000	2,474,803	79.3%	2,457,305	82.7%
Rents, royalties and leases	901,174	319,076	35.4%	307,626	35.1%
TOTAL USE OF MONEY/PROPERTY	4,022,174	2,793,879	69.5%	2,764,931	71.9%
<u>REVENUES FROM OTHER AGENCIES</u>					
State motor vehicle licenses	759,625	266,186	35.0%	384,710	50.6%
State homeowners' property tax	250,000	117,724	47.1%	117,409	47.0%
Other State revenues	-	107,262	0.0%	98,286	0.0%
TOTAL OTHER AGENCIES	1,009,625	491,172	48.6%	600,405	59.5%
<u>CHARGES FOR CURRENT SERVICES</u>					
Construction-related fees	1,667,984	670,178	40.2%	869,522	53.7%
Engineering fees	121,293	90,965	75.0%	97,776	83.1%
Passport fees	10,000	1,612	16.1%	8,129	81.3%
Police department services	628,893	391,726	62.3%	497,878	65.1%
Daily jail rental	25,000	27,441	109.8%	40,871	163.5%
Fire related fees	1,086,690	340,665	31.3%	243,652	22.4%
Contributions-Enterprises	2,550,000	1,512,550	59.3%	1,509,725	59.2%
Other charges	136,896	132,927	97.1%	106,828	80.2%
Library fines and fees	181,000	86,928	48.0%	94,089	52.0%
TOTAL CURRENT SERVICE CHARGES	6,407,756	3,254,992	50.8%	3,468,470	53.4%
<u>OTHER REVENUES</u>					
Other revenues	281,123	480,135	170.8%	528,480	98.5%
Operating transfers in	11,613,570	7,473,561	64.4%	6,438,227	60.7%
TOTAL OTHER REVENUES	11,894,693	7,953,696	66.9%	6,966,707	62.5%
Total General Fund Revenues	\$169,231,713	\$93,890,037	55.5%	\$92,392,223	56.2%

Schedule B

EXPENDITURES SUMMARY BY FUND - BUDGET TO ACTUAL-ALL FUNDS WITH ANNUALLY ADOPTED BUDGETS FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	FY 08-09				FY 07-08		
	REVISED	EXPEND	% OF	PROJECTED	% OF	EXPEND	% OF
	BUDGET	WITHOUT	BUDGET	ACTUAL	BUDGET	WITHOUT	BUDGET
		ENCUMBR	TO	AT 6/30/09	TO PROJ	ENCUMBR	TO
			ACTUAL		ACTUAL		ACTUAL
			W/O ENC		AT 6/30/09		W/O ENC
GENERAL FUND							
BY DEPARTMENT:							
Council/Commissions	\$ 628,690	\$ 344,725	54.8%	\$ 580,859	92.4%	\$ 296,602	47.8%
City Manager	3,022,678	1,459,777	48.3%	2,641,377	87.4%	1,332,197	49.6%
City Attorney	2,770,668	1,518,997	54.8%	2,670,665	96.4%	1,481,745	55.4%
City Clerk	818,659	421,102	51.4%	755,000	92.2%	379,618	42.2%
City Treasurer	865,519	434,696	50.2%	802,000	92.7%	442,918	53.2%
Finance	5,552,950	2,737,280	49.3%	4,860,000	87.5%	2,524,857	47.9%
Human Resources	2,742,696	1,523,097	55.5%	2,721,496	99.2%	1,407,499	55.7%
Civil Service	459,765	213,406	46.4%	414,147	90.1%	163,737	45.2%
Community Development	9,389,282	4,560,917	48.6%	9,096,699	96.9%	4,401,029	54.1%
Comm & Info Tech	4,737,585	2,384,143	50.3%	4,394,000	92.7%	2,167,934	48.8%
General Services	4,816,172	2,456,910	51.0%	4,564,000	94.8%	2,779,932	54.5%
Police	61,246,370	36,176,185	59.1%	61,983,682	101.2%	33,495,646	56.9%
Fire	25,338,623	15,091,459	59.6%	25,155,151	99.3%	15,598,657	61.5%
Public Works	12,617,193	6,153,067	48.8%	10,957,209	86.8%	6,124,603	51.8%
Community Services	14,579,882	8,310,596	57.0%	14,149,802	97.1%	8,103,517	58.0%
Non-Departmental (1001 only):							
Insurance	32,477	6,423	19.8%	26,000	80.1%	6,172	24.7%
Hazardous Waste	77,797	44,826	57.6%	67,000	86.1%	30,027	37.6%
Community Promotion	420,122	208,978	49.7%	399,000	95.0%	98,813	26.1%
Non-Departmental	3,473,908	1,569,331	45.2%	2,407,966	69.3%	1,312,036	26.7%
Leaseback	2,854,556	1,058,646	37.1%	2,854,556	100.0%	1,061,575	37.1%
Community Improvements	143,270	13,066	9.1%	67,000	46.8%	26,145	16.5%
Transfers	19,850,041	9,852,082	49.6%	19,850,041	100.0%	14,176,443	69.5%
HEOP ET	25,000	-	N/A	-	N/A	-	N/A
Total General Fund	176,463,903	96,539,709	54.7%	171,417,650	97.1%	97,411,702	56.5%
Fleet Svcs - Oper & Maint	3,860,223	2,135,701	55.3%	3,647,236	94.5%	2,468,201	60.8%
Fleet Svcs - Replacement	2,200,000	1,002,391	45.6%	1,800,000	81.8%	1,194,705	63.5%
Self-Insurance	4,985,841	3,605,004	72.3%	4,937,441	99.0%	2,578,741	55.0%
Total Internal Service	11,046,064	6,743,096	61.0%	10,384,677	94.0%	6,241,647	58.7%
Airport	11,630,764	6,872,369	59.1%	11,529,529	99.1%	6,286,615	57.5%
Transit	23,824,391	12,348,816	51.8%	22,240,527	93.4%	11,838,286	54.3%
Water	26,687,083	13,848,135	51.9%	24,567,338	92.1%	11,898,200	50.1%
Emergency Medical Services	9,657,462	5,248,246	54.3%	9,368,676	97.0%	4,567,705	49.9%
Sanitation	11,574,593	6,072,656	52.5%	10,971,420	94.8%	6,250,727	57.3%
Cultural Arts	2,098,229	1,205,995	57.5%	2,054,957	97.9%	1,093,280	55.6%
Sewer	2,267,968	1,104,272	48.7%	1,916,000	84.5%	1,045,980	51.5%
Parks & Recreation	8,265,585	4,718,501	57.1%	7,891,034	95.5%	4,630,137	58.7%
Total Enterprise	96,006,075	51,418,990	53.6%	90,539,481	94.3%	47,610,930	53.8%
Employment & Training (WIN)	-	-	N/A	-	N/A	110,559	N/A
Home Improv Empl. Program	-	-	N/A	-	N/A	25,159	N/A
Section 8 Rental Assistance	5,660,491	3,368,059	59.5%	5,921,670	104.6%	3,041,346	60.3%
Rehab Loan Program (HCD)	4,100	-	N/A	-	N/A	-	N/A
Redevelopment Agency	13,808,172	7,445,411	53.9%	13,517,758	97.9%	7,010,386	53.9%
Cable & Comm Relations	1,495,954	775,152	51.8%	1,441,566	96.4%	674,386	53.3%
Cable TV Public Access	355,480	197,488	55.6%	355,480	100.0%	167,595	51.8%
Air Quality Mgmt. District	196,237	106,617	54.3%	187,720	95.7%	107,427	56.8%
Animal Control Fund	462,503	197,567	42.7%	388,828	84.1%	137,453	38.9%
Vanpool/Rideshare	248,620	146,578	59.0%	250,750	100.9%	128,347	54.2%
Gas Tax (Transfers only)	840,000	494,760	58.9%	840,000	100.0%	493,802	58.8%
Street Lighting District	3,000,293	1,438,366	47.9%	2,896,000	96.5%	1,224,212	43.6%
Torrance Pub Fin Auth Debt Svc	3,313,166	1,336,196	40.3%	3,313,166	100.0%	1,340,594	40.5%
Total External Funds	29,385,016	15,506,194	52.8%	29,112,938	99.1%	14,461,266	52.8%
Grand Total	\$ 312,901,058	\$ 170,207,989	54.4%	\$ 301,454,746	96.3%	\$ 165,725,545	55.5%

Schedule B-1

EXPENDITURES DETAIL BY FUND - BUDGET TO ACTUAL-ALL FUNDS WITH ANNUALLY ADOPTED BUDGETS SALARIES AND BENEFITS EXPENDITURES FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	FY 08-09			% OF BUDGET TO PROJ ACTUAL AT 6/30/08		FY 07-08	
	SALARIES AND BENEFITS BUDGET	SALARIES AND BENEFITS ACTUAL	% OF BUDGET TO ACTUAL	PROJECTED ACTUAL AT 6/30/09		SALARIES & BENEFITS ACTUAL	% OF BUDGET TO ACTUAL
GENERAL FUND							
BY DEPARTMENT:							
Council/Commissions	\$ 219,438	\$ 123,407	56.2%	\$ 213,500	97.3%	\$ 100,808	43.8%
City Manager	1,940,826	1,119,902	57.7%	1,906,698	98.2%	1,090,353	60.0%
City Attorney	2,308,887	1,301,823	56.4%	2,222,162	96.2%	1,267,012	57.2%
City Clerk	569,414	307,223	54.0%	521,000	91.5%	298,378	54.7%
City Treasurer	707,559	353,570	50.0% (A)	650,000	91.9%	383,791	56.8%
Finance	3,705,859	1,736,677	46.9% (B)	3,050,000	82.3%	1,803,019	51.8%
Human Resources	1,899,728	1,103,442	58.1%	1,878,528	98.9%	1,048,134	60.0%
Civil Service	347,618	177,769	51.1% (C)	302,000	86.9%	111,502	46.6%
Community Development	7,377,346	3,917,578	53.1% (D)	7,183,935	97.4%	4,012,933	59.1%
Comm & Info Tech	3,628,203	1,968,221	54.2%	3,340,000	92.1%	1,782,744	50.9%
General Services	3,080,330	1,725,160	56.0%	2,932,000	95.2%	1,947,364	60.1%
Police	55,611,558	32,964,770	59.3%	56,348,870	101.3% (E)	30,825,373	57.5%
Fire	23,123,894	13,953,384	60.3% (F)	22,985,151	99.4%	14,494,603	62.6%
Public Works	7,846,957	3,977,154	50.7% (G)	6,911,296	88.1%	3,711,793	52.0%
Community Services	10,452,790	5,908,983	56.5%	10,075,161	96.4%	5,763,460	57.8%
Non-Departmental (1001 only):							
Hazardous Waste	20,860	7,812	37.4% (H)	13,000	62.3%	6,832	34.8%
Non-Departmental	1,171,942	62,658	5.3% (H)	106,000	9.0%	61,061	1.8%
Community Improvements	10,000	-	N/A	-	N/A	-	N/A
HEOP ET	15,000	-	N/A	-	N/A	-	N/A
Total General Fund	124,038,209	70,709,533	57.0%	120,639,301	97.3%	68,709,160	56.4%
Fleet Svcs - Oper & Maint	3,162,987	1,733,731	54.8%	2,950,000	93.3%	1,745,481	59.3%
Self-Insurance	778,400	428,618	55.1%	730,000	93.8%	403,268	55.7%
Total Internal Service	3,941,387	2,162,349	54.9%	3,680,000	93.4%	2,148,749	58.6%
Airport	1,695,764	964,762	56.9%	1,666,533	98.3%	845,572	53.4%
Transit	13,356,473	7,085,627	53.1% (I)	12,029,927	90.1%	6,685,828	53.3%
Water	4,881,226	2,404,717	49.3% (J)	4,055,000	83.1%	2,298,390	50.0%
Emergency Medical Services	9,296,114	5,052,356	54.3%	9,040,000	97.2%	4,357,994	49.6%
Sanitation	4,531,654	2,533,175	55.9%	4,325,000	95.4%	2,365,012	57.4%
Cultural Arts	1,483,324	841,329	56.7%	1,454,000	98.0%	776,532	56.1%
Sewer	867,296	349,390	40.3% (K)	590,000	68.0%	312,966	48.8%
Parks & Recreation	5,092,827	2,943,057	57.8%	4,930,000	96.8%	2,790,417	57.4%
Total Enterprise	41,204,678	22,174,413	53.8%	38,090,460	92.4%	20,432,711	53.1%
Employment & Training (WIN)	-	-	N/A	-	N/A	70,232	N/A
Home Improv Empl. Program	-	-	N/A	-	N/A	24,232	N/A
Section 8 Rental Assistance	427,500	254,539	59.5%	427,500	100.0%	238,401	60.1%
Rehab Loan Program (HCD)	3,900	-	0.0%	-	N/A	-	0.0%
Redevelopment Agency	254,850	152,487	59.8%	254,850	100.0%	108,193	42.2%
Cable & Comm Relations	954,388	519,326	54.4%	900,000	94.3%	457,497	53.9%
Cable TV Public Access	229,311	132,502	57.8%	229,311	100.0%	132,571	57.8%
Air Quality Mgmt. District	49,104	26,282	53.5%	45,000	91.6%	24,011	57.3%
Animal Control Fund	336,100	160,248	47.7% (L)	285,000	84.8%	92,477	38.4%
Vanpool/Rideshare	66,084	40,578	61.4%	72,673	110.0% (M)	35,016	54.9%
Street Lighting District	589,650	264,972	44.9% (N)	560,000	95.0%	267,281	48.6%
Total External Funds	2,910,887	1,550,934	53.3%	2,774,334	95.3%	1,449,911	55.1%
Grand Total	\$ 172,095,161	\$ 96,597,229	56.1%	\$ 165,184,095	96.0%	\$ 92,740,531	55.6%

- (A) City Treasurer Dept. has one account clerk position vacant since the start of the fiscal year.
- (B) Finance Department vacancies at 01/31/2009 include two Senior Accountants, Accountant, Senior Account Clerk and one and a half Account Clerks.
- (C) Actual labor charges are lower than the reference point used in the budget.
- (D) Community Development Dept. had a few positions go vacant last fall such as Typist Clerk II, Building Inspector and Building Permit Technician.
- (E) Please refer to the expenditure overview tab.
- (F) An adjustment happened in February moving \$237,241 of Fire salary and benefits from the General Fund to EMS Fund. The adjusted percentage of budget expired is 59.3%. The Fire department salaries and benefits charges is not projected to be over at the end of the fiscal year; if it did the EMS Fund has salary savings to help offset any overage.
- (G) Salaries are lower than budget due to various vacant positions including Deputy Public Works Director.
- (H) Charges from other departments will be posted in future months.
- (I) Actual salaries and benefits are low due to vacancies - Bus Operators and Supervisors.
- (J) Salaries expenditures are under budget due to various vacant positions and less overtime worked.
- (K) Salaries expenditures are lower than budget due to great utilization of staff for capital improvement projects.
- (L) The Animal Control Supervisor vacancy was filled by internal promotion. A new Animal Control Officer was hired at the end of September.
- (M) The budget for salaries and benefits are based on the composite rate which is lower than the actual hourly rate.
- (N) Charges to the Lighting District Fund from the General Fund Public Works Department are 45% expended as of January.

Schedule B-2

EXPENDITURES DETAIL BY FUND - BUDGET TO ACTUAL-ALL FUNDS WITH ANNUALLY ADOPTED BUDGETS MATERIALS, SERVICES AND OTHER EXPENDITURES FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	FY 08-09						FY 07-08		
	MATERIALS, SERVICES, OTHERS			ACTUAL	% OF	PROJECTED	% OF		% OF
	REVISED	ACTUAL EXP		EXPENSE	BUD	ACTUAL	BUD	ACTUAL	BUD
	BUDGET	WITHOUT ENC	ACTUAL	NET OF	W/O	AT 6/30/09	TO	WITHOUT ENC	W/O
			REIMB	REIMB	ENC		PROJ		ENC
GENERAL FUND									
BY DEPARTMENT:									
Council/Commissions	\$ 409,252	\$ 221,318	\$ -	\$ 221,318	54.1%	\$ 367,359	89.8%	\$ 195,794	50.1%
City Manager	1,081,852	339,875	-	339,875	31.4% (A)	734,679	67.9%	241,844	27.9%
City Attorney	461,781	217,174	-	217,174	47.0% (B)	448,503	97.1%	214,733	46.9%
City Clerk	249,245	113,879	-	113,879	45.7% (C)	234,000	93.9%	81,240	22.9%
City Treasurer	157,960	81,126	-	81,126	51.4% (D)	152,000	96.2%	59,127	37.7%
Finance	1,847,091	1,254,951	(254,348)	1,000,603	54.2%	1,810,000	98.0%	721,838	40.3%
Human Resources	842,968	423,880	(4,225)	419,655	49.8% (E)	842,968	100.0%	359,365	46.0%
Civil Service	112,147	35,637	-	35,637	31.8% (F)	112,147	100.0%	52,235	42.5%
Community Development	2,011,936	643,339	-	643,339	32.0% (F)	1,912,764	95.1%	388,096	28.8%
Comm & Info Tech	1,109,382	1,049,027	(633,105)	415,922	37.5% (G)	1,054,000	95.0%	385,190	40.9%
General Services	1,735,842	1,361,666	(629,916)	731,750	42.2% (H)	1,632,000	94.0%	832,568	44.7%
Police	5,634,812	3,211,415	-	3,211,415	57.0%	5,634,812	100.0%	2,670,273	50.9%
Fire	2,214,729	1,274,385	(136,310)	1,138,075	51.4% (I)	2,170,000	98.0%	1,104,054	50.7%
Public Works	4,770,236	2,511,081	(335,168)	2,175,913	45.6% (J)	4,045,913	84.8%	2,412,810	51.7%
Community Services	4,127,092	2,421,314	(19,701)	2,401,613	58.2%	4,074,641	98.7%	2,340,057	58.6%
Non-Departmental (1001 only):									
Insurance	32,477	6,423	-	6,423	19.8% (K)	26,000	80.1%	6,172	24.7%
Hazardous Waste	56,937	66,464	(29,450)	37,014	65.0% (L)	54,000	94.8%	23,195	38.5%
Community Promotion	420,122	208,978	-	208,978	49.7% (M)	399,000	95.0%	98,813	26.1%
Non-Departmental	2,301,966	1,506,673	-	1,506,673	65.5% (N)	2,301,966	100.0%	1,250,975	84.6%
Leaseback	2,854,556	1,058,646	-	1,058,646	37.1% (O)	2,854,556	100.0%	1,061,575	37.1%
Community Improvements	133,270	13,066	-	13,066	9.8% (P)	67,000	50.3%	26,145	17.6%
Transfers	19,850,041	9,852,082	-	9,852,082	49.6% (Q)	19,850,041	100.0%	14,176,443	69.5%
HEOP ET	10,000	-	-	-	N/A	-	N/A	-	N/A
Total General Fund	52,425,694	27,872,399	(2,042,223)	25,830,176	49.3%	50,778,349	96.9%	28,702,542	56.8%
Fleet Svcs - Oper & Maint	697,236	402,270	(300)	401,970	57.7%	697,236	100.0%	722,720	64.7%
Fleet Svcs - Replacement	2,200,000	1,002,391	-	1,002,391	45.6% (R)	1,800,000	81.8%	1,194,705	63.5%
Self Insurance	4,207,441	3,176,386	-	3,176,386	75.5% (S)	4,207,441	100.0%	2,175,473	54.9%
Total Internal Service	7,104,677	4,581,047	(300)	4,580,747	64.5%	6,704,677	94.4%	4,092,898	58.8%
Airport	9,935,000	5,907,607	-	5,907,607	59.5%	9,862,996	99.3%	5,441,043	58.2%
Transit	10,467,918	5,263,189	-	5,263,189	50.3% (T)	10,210,600	97.5%	5,152,458	55.6%
Water	21,805,857	11,448,499	(5,081)	11,443,418	52.5% (U)	20,512,338	94.1%	9,599,810	50.1%
Emergency Medical Svc	361,348	195,890	-	195,890	54.2%	328,676	91.0%	209,711	57.7%
Sanitation	7,042,939	3,552,092	(12,611)	3,539,481	50.3% (V)	6,646,420	94.4%	3,885,715	57.1%
Cultural Arts	614,905	364,666	-	364,666	59.3%	600,957	97.7%	316,748	54.3%
Sewer	1,400,672	754,882	-	754,882	53.9%	1,326,000	94.7%	733,014	52.7%
Parks & Recreation	3,172,758	1,775,444	-	1,775,444	56.0%	2,961,034	93.3%	1,839,720	60.7%
Total Enterprise	54,801,397	29,262,269	(17,692)	29,244,577	53.4%	52,449,021	95.7%	27,178,219	54.4%
Employment & Training (WIN)	-	-	-	-	N/A	-	N/A	40,327	N/A
Home Improv Empl. Program	-	39,560	(39,560)	-	N/A	-	N/A	927	N/A
Section 8 Rental Assistance	5,232,991	3,113,520	-	3,113,520	59.5%	5,494,170	105.0% (W)	2,802,945	60.3%
Rehab Loan Program (HCD)	200	-	-	-	N/A	-	N/A	-	N/A
Redevelopment Agency	13,553,322	7,292,924	-	7,292,924	53.8%	13,262,908	97.9%	6,902,193	54.2%
Cable & Comm Relations	541,566	268,902	(13,076)	255,826	47.2%	541,566	100.0%	216,889	52.0%
Cable TV Public Access	126,169	64,986	-	64,986	51.5%	126,169	100.0%	35,024	37.3%
Air Quality Mgmt. District	147,133	80,335	-	80,335	54.6%	142,720	97.0%	83,416	56.7%
Animal Control Fund	126,403	37,319	-	37,319	29.5% (X)	103,828	82.1%	44,976	40.0%
Vanpool/Rideshare	182,536	106,000	-	106,000	58.1%	178,077	97.6%	93,331	54.0%
Gas Tax (Transfers only)	840,000	494,760	-	494,760	58.9%	840,000	100.0%	493,802	58.8%
Street Lighting District	2,410,643	1,173,394	-	1,173,394	48.7% (Y)	2,336,000	96.9%	956,931	42.4%
Torrance Pub Fin Auth Debt Svc	3,313,166	1,336,196	-	1,336,196	40.3% (Z)	3,313,166	100.0%	1,340,594	40.5%
Total External Funds	26,474,129	14,007,896	(52,636)	13,955,260	52.7%	26,338,604	99.5%	13,011,355	52.6%
Grand Total	\$140,805,897	\$75,723,611	(\$2,112,852)	\$73,610,760	52.3%	\$136,270,651	96.8%	\$72,985,014	55.2%

FOOTNOTES FOR BUDGET TO ACTUAL VARIANCES CAN BE FOUND ON THE NEXT PAGE.

**MATERIALS, SERVICES AND OTHER EXPENDITURES
FOOTNOTES FOR BUDGET TO ACTUAL VARIANCES**

- (A) The Travel & Training budget of \$324,447 is only 12% spent.
- (B) Legal and Professional Services are under budget due to timing of invoices being received months after services are rendered.
- (C) The Materials, Supplies and Professional Services expenditures are lower than budget due to timing of invoices, being received after January.
- (D) City Treasurer's Professional Services expenditures are lower than budget due to the timing of payments to regular recurring vendors such as the Bank of America and the City of Inglewood.
- (E) Due to the payment cycles for medical services, expenditures will be reflected in the fourth quarter.
- (F) The budget for materials has not been fully utilized due to timing of expenditures. Expenditures for Professional service contracts are expected to increase during the last quarter of the fiscal year.
- (G) The budget for professional services has not been fully utilized due to timing of these expenditures.
- (H) The budget for material, supplies, professional services, capital assets and travel has not been fully utilized as these costs are variable by nature and occur at the departments discretion. The materials supplies reimbursement is reimbursed on a monthly basis as a percentage of budget expired.
- (I) The budget for Settlements and Insurance is only 25% expended of the year to date budget. The budget of \$54,150 for liability claims greater than \$50,000 has not been expended.
- (J) The Materials, Supplies and Professional Services expenditures are used as needed for repairs to the City's Infrastructure under the Public Works department scope of responsibility. Encumbrances of \$1,382,000 would utilize an additional 29% of the budget. Encumbrances are mainly for construction materials and dump fees.
- (K) December and January invoices for beneflex administration have not been received.
- (L) The Hazardous Waste dump fee budget is \$40,900 of which 93.7% is spent at the end of January. The program is increasingly being used as a safer method to dump hazardous waste products Citywide. The budget for fiscal year 2008/09 needs to be adjusted with budgets from other areas being moved to fund these fees.
- (M) Expenditures are lower than budget due to future events that have not taken place yet such as the Armed Forces Day Parade.
- (N) The property tax administrative costs of \$650,557 from Los Angeles County has been paid for this fiscal year causing the year-to-date Professional Services budget to be 86% expended.
- (O) Leaseback transfers received from the Airport Fund are credited each month. Debt service payments are due in November and May.
- (P) A professional services budget of \$100,000 under the category right of way reinvestment has no expenditures to date.
- (Q) The budget includes a \$3,426,501 increase for transfers to the reserve fund for the 2007-08 general fund carryover per Council Item 12D dated 2/10/09. The actual transfer to the reserve fund was posted in February.
- (R) Depreciation expense will increase as new vehicles are purchased in FY08/09.
- (S) A settlement claim in the amount of \$670,425 was paid in January utilizing 15.9% of the Insurance and Claims budget.
- (T) Contract service invoices for the Senior Taxi and Dial A Taxi program are not processed timely due to vendors' late submission of invoices.
- (U) Invoices from MWD & West Basin for the month of January for approximately \$1,200,000 have not been received, in addition the desalter water supply costs have been low for the year.
- (V) Contracts for emergency repairs are on an as needed basis. In addition dump fees for December and January for approximately \$150,000 have not been paid.
- (W) The Housing Authority (HA) Housing Assistance Payments (HAP) has been increasing significantly. A midyear budget modification has been submitted increasing the budget by \$275,000 to cover the HAP expenses for the remainder of this fiscal year.
- (X) Professional Services are low due to timing of expenditures. There are encumbrances for LA County Animal Care & Control and Animal Emergency Medical Center totaling an additional 22% of budget.
- (Y) Charges to the Lighting District from the General Fund Public Works Department are 32% expended as of January.
- (Z) Debt Service payments are due in December and May of each year.

Schedule B-3

**EXPENDITURES SUMMARY - BUDGET TO ACTUAL - GENERAL FUND (1001) BY CHARACTER
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED**

	2008-09 BUDGET	EXPENDITURES WITHOUT ENCUMBRANCES	% OF BUDGET TO ACTUAL WITHOUT ENC.	ENCUMB.	% OF BUDGET TO ACTUAL WITH ENC.
Salaries and Benefits	\$ 135,076,432	\$ 76,835,819	56.9%	\$ -	56.9%
Salaries and Benefits Reimb	(11,038,223)	(6,126,286)	55.5%	-	55.5%
Subtotal Salaries and Benefits	124,038,209	70,709,533	57.0%	-	57.0%
Materials and Supplies	13,371,828	6,286,577	47.0%	2,109,504	62.8%
Senior Mobile Home Subsidy	120,000	-	0.0%	-	0.0%
Prof Services/Contracts/Utilities	9,499,043	4,523,106	47.6%	1,624,621	64.7%
Travel, Training & Membership Dues	1,234,536	447,170	36.2%	283,349	59.2%
Liabilities and Other Insurance	1,617,136	986,821	61.0%	5,282	61.3%
Interdepartmental Charges	3,836,396	2,249,723	58.6%	-	58.6%
Debt Service	2,906,690	1,110,780	38.2%	6,500	38.4%
Capital Acquisition	388,725	100,870	25.9%	68,099	43.5%
Reimb from Other Funds	(3,641,783)	(2,042,223)	56.1%	-	56.1%
Bad Debt and Other Losses	32	32	100.0%	-	100.0%
Other Expenditures	109,440	52,535	48.0%	-	48.0%
Reimb - Indirect Costs	(3,928,799)	(2,310,765)	58.8%	-	58.8%
Operating Transfers Out	25,912,450	13,674,550	52.8%	-	52.8%
Advances to Other Funds	1,000,000	751,000	75.1%	-	N/A
	52,425,694	25,830,176	49.3%	4,097,355	57.1%
Total General Fund - 1001	\$ 176,463,903	\$ 96,539,709	54.7%	\$ 4,097,355	57.0%

**ADOPTED BUDGET AND AMENDMENTS BY FUND
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED**

Schedule B-4

	ADOPTED BUDGET FY 08-09	PRIOR YEAR ENCUMBRANCE BUDGET	BUDGET AMENDMENTS FY 08-09	AMENDED BUDGET FY 08-09
GENERAL FUND BUDGET				
BY DEPARTMENT:				
Council/Commissions	\$ 618,552	\$ 300	\$ 9,838	\$ 628,690
City Manager	2,718,090	242,728	61,860	3,022,678
City Attorney	2,767,791	2,877	-	2,770,668
City Clerk	806,185	2,474	10,000	818,659
City Treasurer	860,744	4,775	-	865,519
Finance	5,511,834	43,738	(2,622)	5,552,950
Human Resources	2,710,430	32,266	-	2,742,696
Civil Service	409,190	9,275	41,300	459,765
Community Development	8,609,588	468,980	310,714 (A)	9,389,282
Comm & Info Tech	4,611,789	144,051	(18,255)	4,737,585
General Services	4,670,054	70,495	75,623	4,816,172
Police	60,589,127	65,824	591,419 (B)	61,246,370
Fire	24,995,548	173,451	169,624	25,338,623
Public Works	12,167,477	505,757	(56,041)	12,617,193
Community Services	14,423,798	68,149	87,935	14,579,882
Non-Departmental (1001 only):				
Insurance	25,000	7,477	-	32,477
Hazardous Waste	77,797	-	-	77,797
Community Promotion	380,122	40,000	-	420,122
Non-Departmental	3,859,732	-	(385,824) (C)	3,473,908
Leaseback	2,854,556	-	-	2,854,556
Community Improvements	140,000	3,270	-	143,270
Transfers	15,236,240	-	4,613,801 (D)	19,850,041
HEOP ET	25,000	-	-	25,000
Total General Fund	169,068,644	1,885,887	5,509,372	176,463,903
Fleet Services	6,033,219	58,936	(31,932)	6,060,223
Self-Insurance	3,942,829	43,012	1,000,000 (E)	4,985,841
Total Internal Service	9,976,048	101,948	968,068	11,046,064
Airport	11,427,319	203,445	-	11,630,764
Transit	23,811,330	13,656	(595)	23,824,391
Water	24,766,471	327,930	1,592,682 (F)	26,687,083
Emergency Medical Svcs	9,596,325	4,924	56,213	9,657,462
Sanitation	11,118,505	63,740	392,348 (G)	11,574,593
Cultural Arts	2,098,229	-	-	2,098,229
Sewer	2,252,011	16,377	(420)	2,267,968
Parks & Recreation	8,270,863	78,185	(83,463)	8,265,585
Total Enterprise	93,341,053	703,333	1,956,765	96,006,075
Employment & Training (WIN)	-	-	-	-
Section 8 Rental Assistance	5,660,620	(129)	-	5,660,491
Rehab Loan Program (HCD)	4,100	-	-	4,100
Redevelopment Agency	12,921,060	3,596	883,516 (H)	13,808,172
Cable & Comm. Relations	1,386,880	8,766	100,308	1,495,954
Cable TV Public Access	344,257	3,438	7,785	355,480
Air Quality Mgmt. District	189,124	-	7,200	196,324
Animal Control Fund	463,928	(1,425)	-	462,503
Vanpool/Rideshare	247,964	656	-	248,620
Gas Tax (Transfers only)	840,000	-	-	840,000
Street Lighting District	3,000,293	-	-	3,000,293
Torrance Pub Fin Auth Debt Svc	3,313,166	-	-	3,313,166
Total External Funds	28,371,392	14,902	998,809	29,385,103
Grand Total	\$ 300,757,137	\$ 2,706,070	\$ 9,433,014	\$ 312,901,145

Notes below explain the major budget revisions in excess of \$250,000

- (A) Includes \$120,000 increase for a senior mobil home subsidy and a memo encumbrances of \$87,853 for a NPDES contract.
- (B) Includes \$212,000 increase from the General Fund Reserve for Fuel costs and \$95,000 in memo encumbrances for oversized vehicle and paperless parking permits.
- (C) Includes \$425,000 decrease from the wage and materials reserve to increase the Fire and Police Retiree health budget. Includes 52,134 appropriation for the 2008-09 costs of the Tax and Revenue Anticipation Notes per Council Item 12D dated 5/13/08.
- (D) Includes \$3,426,501 increase for transfers to the reserve fund for the 2007-08 general fund carryover per Council Item 12A dated 2/10/09.
- (E) Represents a transfer from the Self Insurance Reserve Fund to the liabilities budget for claims over \$50,000 per Council Item 8F dated 9/23/08.
- (F) Includes \$1,500,000 for the purchase of land to develop a water well, treatment facility and storage per Council Item 12C dated 06/17/08.
- (G) Includes \$329,186 transfers to the Fleet Vehicle and Equipment Fund for the purchase of one 2009 CNG-fueled Peterbilt 320 Cab and Chassis with Heil 7000 automated side-loader refuse collection body per Council Item 8F dated 11/25/08.
- (H) Represents ERAF payment scheduled for remittance by May 1 per Council Item 4A dated 02/24/09.

Schedule C

INTERNAL SERVICE & ENTERPRISE FUND REVENUE SUMMARY-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	FY 08-09								FY 07-08	
	Budget	Budgeted Use of Fund Bal	Add Back Depr	Total Budget	Year-To-Date Actual	% of Budget to Actual	Projected 06/30/2009	% of Budget to Proj Actual	Year-To-Date Actual	% of Budget to Actual
Fleet Svcs - Oper & Maint	\$ 3,480,745	\$ 379,478	\$ -	\$ 3,860,223	\$ 2,135,701	55.3%	\$ 3,647,236	94.5%	\$ 2,468,201	60.8%
Fleet Svcs - Replacement	3,371,861	-	2,200,000	5,571,861	3,428,630	61.5%	5,467,333	98.1%	3,147,110	68.9%
Self-Insurance	4,681,451	-	-	4,681,451	3,099,799	66.2%	4,681,451	100.0%	3,383,172	73.2%
Total Internal Service	11,534,057	379,478	2,200,000	14,113,535	8,664,130	61.4%	13,796,020	97.8%	8,998,483	67.9%
Airport	11,374,600	135,876	300,000	11,810,476	6,769,852	57.3%	11,175,703	94.6%	7,316,006	59.9%
Transit	21,446,208	231,238	2,148,000	23,825,446	10,164,088	42.7%	22,241,582	93.4%	10,790,012	48.7%
Water	26,060,410	2,528,346	1,243,800	29,832,556	16,482,406	55.2%	27,712,811	92.9%	16,325,673	63.3%
Emergency Medical Svcs	9,649,862	7,600	10,000	9,667,462	5,253,944	54.3%	9,378,676	97.0%	4,571,225	49.9%
Sanitation	10,950,654	624,044	25,180	11,599,878	6,585,939	56.8%	11,135,156	96.0%	6,389,670	57.7%
Cultural Arts	2,061,315	45,499	25,000	2,131,814	1,226,530	57.5%	2,088,542	98.0%	1,100,401	55.6%
Sewer	2,734,500	52,018	1,005,000	3,791,518	1,978,774	52.2%	3,342,018	88.1%	2,153,463	60.3%
Parks & Recreation	8,149,944	-	-	8,149,944	4,720,152	57.9%	7,894,034	96.9%	4,630,137	60.3%
Total Enterprise	\$ 92,427,493	\$ 3,624,621	\$ 4,756,980	\$ 100,809,094	\$ 53,181,685	52.8%	\$ 94,968,522	94.2%	\$ 53,276,587	56.9%

NOTE: BUDGET TO ACTUAL VARIANCES CAN BE FOUND ON SUBSEQUENT FINANCIAL STATEMENTS.

Schedule D

FLEET SERVICES - COMBINED**BALANCE SHEET**
January 31, 2009

	Operations and Maintenance January 31, 2009	Vehicle Replacement January 31, 2009	Total
ASSETS			
Pooled cash and investments	\$ (126,572)	\$ 13,701,142	\$ 13,574,570
Accrued interest receivable	-	158,620	158,620
Inventories	1,028,211	-	1,028,211
Total Current Assets	901,639	13,859,762	14,761,401
Property, plant and equipment, net	2,810	6,612,402	6,615,212
Total Assets	\$ 904,449	\$ 20,472,164	\$ 21,376,613
LIABILITIES AND FUND EQUITY			
Current Liabilities			
Accounts payable	\$ 72,993	\$ -	\$ 72,993
Accrued salaries and benefits	372,300	-	372,300
Total Liabilities	445,293	-	445,293
Fund Equity			
Retained earnings - reserved	-	20,472,164	20,472,164
Retained earnings - unreserved	459,156	-	459,156
Total Liabilities and Fund Equity	\$ 904,449	\$ 20,472,164	\$ 21,376,613

Schedule D-1

FLEET SERVICES - COMBINED FUNDS

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 6/30/2009	2008 Year-To-Date Actual Without Enc.	2008 Budget % Without Enc.
OPERATING REVENUES						
Rental Income	\$ 7,020	\$ 12,119	172.6%	\$ 15,500	\$ 2,470	35.2%
Charges for services	5,310,527	3,234,694	60.9%	5,500,000	3,376,826	63.6%
Total Operating Revenues	5,317,547	3,246,813	61.1%	5,515,500	3,379,296	63.5%
OPERATING EXPENSES:						
Salaries and employee benefits	3,162,987	1,733,731	54.8%	2,950,000	1,745,481	59.3%
Materials and supplies	447,315	240,290 (A)	53.7%	447,315	231,575	52.6%
Other Professional Services	80,500	68,787	85.4%	80,500	404,624	79.1%
Depreciation	2,200,000	1,002,391 (B)	45.6%	1,800,000	1,194,705	63.5%
Interdepartmental charges	118,929	69,888	58.8%	118,929	66,201	58.8%
Liability and claims	23,943	4,450	18.6%	23,943	4,442	18.6%
Other	8,800	4,217	47.9%	8,800	3,902	43.8%
Total Operating Expenses	6,042,474	3,123,754	51.7%	5,429,487	3,650,930	61.7%
OPERATING INCOME (LOSS)	(724,927)	123,059	117.0%	86,013	(271,634)	45.2%
NON-OPERATING REVENUES						
Interest income - Operations	350,000	348,187 (C)	99.5%	550,000	375,431	187.7%
Net gain from sale of fixed assets	80,464	53,579 (D)	66.6%	80,464	35,928	44.7%
Total Non-Operating Revenues	430,464	401,766	93.3%	630,464	411,359	146.7%
Income (Loss) before transfers	(294,463)	524,825	278.2%	716,477	139,725	143.6%
OPERATING TRANSFERS IN	1,104,595	871,260 (E)	78.9%	1,104,595	560,482	58.8%
OPERATING TRANSFERS OUT	(17,749)	(14,338)	80.8%	(17,749)	(11,976)	58.8%
NET INCOME (LOSS) BEFORE VEHICLE ACQUISITIONS	792,383	1,381,747	174.4%	1,803,323	688,231	112.4%
VEHICLE ACQUISITIONS	(5,522,801)	(1,604,212) (F)	29.0%	(5,522,801)	(705,856)	19.3%
ADD: DEPRECIATION	2,200,000	1,002,391	45.6%	1,800,000	1,194,705	63.5%
CHANGE IN CASH AVAILABLE AFTER VEHICLE ACQUISITIONS AND ADDITION OF DEPRECIATION	\$ (2,530,418)	\$ 779,926	130.8%	\$ (1,919,478)	\$ 1,177,080	201.7%
FUEL AND PARTS INVENTORY						
Parts Inventory Purchases	\$ (1,193,891)	\$ (542,792)	45.5%	\$ (1,192,891)	\$ (665,449)	43.5%
Fuel Inventory Purchases	(1,600,000)	(714,194)	44.6%	(1,600,000)	(718,108)	71.8%
Total Parts & Fuel Inventory Purchases	\$ (2,793,891)	\$ (1,256,986)	45.0%	\$ (2,792,891)	\$ (1,383,557)	54.7%

(A) Materials and Supplies are under budget due to lower in-house vehicle repairs and small tool and appliance purchases.

(B) Monthly Depreciation expense will increase as new vehicles are purchased in FY 08-09.

(C) Over the past years, fewer vehicles were purchased than budgeted, resulting in a higher than anticipated cash balance.

(D) Includes \$50,040 gain on the sale of 27 vehicles on 12/20/08.

(E) Transfers In include transfers of \$186,600 from the General Fund Reserve for Alternative Fuel Vehicles budget to offset propane vehicle cost premium approved by Council on 9/9/08 and 11/18/08. The amount of \$329,186 was transferred from the Public Works Sanitation Fund for the purchase of an automated side-loader refuse collection truck as approved by Council on 11/25/08. Also included is \$21,083 from a closed capital project.

(F) There is a total amount of \$3,249,753 for vehicle acquisition encumbrances that is not included in the actuals total.

Schedule D-2

FLEET SERVICES FUND - COMBINED
STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009

Cash flows from operating activities

Operating income	\$123,059
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	1,002,391
Decrease in accounts receivable	50,968
Decrease in inventory	39,217
(Decrease) in accounts payable	(507,861)
	<hr/>

Net cash provided by operating activities \$707,774

Cash flows from capital and related financing activities

Capital expenditures	(1,604,212)
Proceeds from sale of fixed assets	53,579
	<hr/>

Net cash used by capital and related financing activities (1,550,633)

Cash flows from noncapital financing activities

Operating transfers in	871,260
Operating transfers out	(14,338)
	<hr/>

Net cash provided by noncapital financing activities 856,922

Cash flows from investing activities

Interest on investments	348,187
	<hr/>

Net cash provided by investing activities

348,187

Net change in cash 362,250

Cash, and cash equivalents, July 1, 2008

13,212,320

Cash and cash equivalents, January 31, 2009

\$13,574,570

Schedule D-3

FLEET - OPERATIONS AND MAINTENANCE

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 6/30/2009	2008 Year-To-Date Actual Without Enc.	2008 Budget % Without Enc.
OPERATING REVENUES						
Rental Income	\$ 7,020	\$ 12,119	172.6%	\$ 15,500	\$ 2,470	35.2%
Charges for services	2,905,999	1,747,090 (A)	60.1%	3,000,000	1,835,780	63.2%
Total Operating Revenues	2,913,019	1,759,209	60.4%	3,015,500	1,838,250	63.1%
OPERATING EXPENSES:						
Salaries and employee benefits	3,162,987	1,733,731	54.8%	2,950,000	1,745,481	59.3%
Materials and supplies	447,315	240,290 (B)	53.7%	447,315	231,575	52.6%
Professional Services	80,500	68,787	85.4%	80,500	404,624	79.1%
Interdepartmental charges	118,929	69,888	58.8%	118,929	66,201	58.8%
Liability and claims	23,943	4,450 (C)	18.6%	23,943	4,442	18.6%
Other	8,800	4,217	47.9%	8,800	3,902	43.8%
Total Operating Expenses	3,842,474	2,121,363	55.2%	3,629,487	2,456,225	60.8%
OPERATING INCOME (LOSS)	(929,455)	(362,154)	39.0%	(613,987)	(617,975)	54.9%
OPERATING TRANSFERS IN	567,726	334,391	58.9%	567,726	560,482	58.8%
OPERATING TRANSFERS OUT	(17,749)	(14,338)	80.8%	(17,749)	(11,976)	58.8%
FROM FUND BALANCE	379,478	42,101 (D)	11.1%	64,010	69,469	36.1%
NET INCOME (LOSS)	\$ -	\$ -	N/A	\$ -	\$ -	N/A
FUEL AND PARTS INVENTORY						
Parts Inventory Purchases	\$ (1,193,891)	\$ (542,792)	45.5%	\$ (1,192,891)	\$ (665,449)	41.7%
Fuel Inventory Purchases	(1,600,000)	(714,194)	44.6%	(1,600,000)	(718,108)	71.8%
Total Parts & Fuel Inventory Purchases	\$ (2,793,891)	\$ (1,256,986)	45.0%	\$ (2,792,891)	\$ (1,383,557)	53.3%

- (A) Due to the timing of services needed for labor and repairs, charges for services are higher than budget.
 (B) Materials and Supplies are under budget due to lower in-house vehicle repairs and small tool and appliance purchases.
 (C) There were no liability claims as of 1/31/09 . The amount shown reflects administration charges.
 (D) Use of fund balance is on an as needed basis.

Schedule D-4

FLEET - OPERATIONS AND MAINTENANCE

**STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009**

Cash flows from operating activities

Operating loss	(\$362,154)
Adjustments to reconcile operating loss to net cash used by operating activities	
Decrease in accounts receivable	39,093
Decrease in inventory	39,217
(Decrease) in accounts payable	<u>(305,129)</u>

Net cash used by operating activities (\$588,973)

Cash flows from noncapital financing activities

Operating transfers in	334,391
Operating transfers out	<u>(14,338)</u>

Net cash provided by noncapital financing activities 320,053

Net change in cash (268,920)

Cash, and cash equivalents, July 1, 2008 142,348

Cash and cash equivalents, January 31, 2009 (\$126,572)

Schedule D-5

FLEET - VEHICLE REPLACEMENT FUND

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget	Year-To-date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 6/30/2009	2008 Year-to-date Actual Without Enc.	2008 Budget % Without Enc.
OPERATING REVENUES						
Charges for services	\$ 2,404,528	\$ 1,487,604	61.9%	\$ 2,500,000	\$ 1,541,046	64.1%
Total Operating Revenues	2,404,528	1,487,604	61.9%	2,500,000	1,541,046	64.1%
OPERATING EXPENSES:						
Depreciation	2,200,000	1,002,391 (A)	45.6%	1,800,000	1,194,705	63.5%
Total Operating Expenses	2,200,000	1,002,391	45.6%	1,800,000	1,194,705	63.5%
OPERATING INCOME (LOSS)	204,528	485,213	237.2%	700,000	346,341	66.1%
NON-OPERATING REVENUES						
Interest income - Operations	350,000	348,187 (B)	99.5%	550,000	375,431	187.7%
Net gain (loss) from sale of fixed assets	80,464	53,579 (C)	66.6%	80,464	35,928	44.7%
Total Non-Operating Revenues	430,464	401,766	93.3%	630,464	411,359	146.7%
Income (Loss) before transfers	634,992	886,979	139.7%	1,330,464	757,700	94.2%
OPERATING TRANSFERS IN	536,869	536,869 (D)	100.0%	536,869	-	N/A
NET INCOME (LOSS) BEFORE VEHICLE ACQUISITIONS	1,171,861	1,423,848	121.5%	1,867,333	757,700	94.2%
VEHICLE ACQUISITIONS	(5,522,801)	(1,604,212) (E)	29.0%	(5,522,801)	(705,856)	19.3%
ADD: DEPRECIATION	2,200,000	1,002,391	45.6%	1,800,000	1,194,705	63.5%
CHANGE IN CASH AVAILABLE AFTER VEHICLE ACQUISITIONS AND ADDITION OF DEPRECIATION	\$ (2,150,940)	\$ 822,027	138.2%	\$ (1,855,468)	\$ 1,246,549	229.1%

- (A) Monthly Depreciation expense will increase as new vehicles are purchased in FY 08-09.
 (B) Over the past years, fewer vehicles were purchased than budgeted, resulting in a higher than anticipated cash balance.
 (C) Includes \$50,040 gain on the sale of 27 vehicles on 12/20/08.
 (D) Transfers In include transfers of \$186,600 from the General Fund Reserve for Alternative Fuel Vehicles budget to offset propane vehicle cost premium approved by Council on 9/9/08 and 11/8/08. The amount of \$329,186 was transferred from the Public Works Sanitation Fund for the purchase of an automated side-loader refuse collection truck as approved by Council on 11/25/08. Also included is \$21,083 from a closed capital project.
 (E) There is a total amount of \$3,249,753 for vehicle acquisition encumbrances that is not included in the actuals total.

FLEET - VEHICLE REPLACEMENT FUND**STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009****Cash flows from operating activities**

Operating income	\$485,213
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	1,002,391
Decrease in accounts receivable	11,875
(Decrease) in accounts payable	<u>(202,732)</u>

Net cash provided by operating activities \$1,296,747

Cash flows from capital and related financing activities

Capital expenditures	(1,604,212)
Proceeds from sale of fixed assets	<u>53,579</u>

Net cash used by capital and related financing activities (1,550,633)

Cash flows from investing activities

Interest on investments	<u>348,187</u>
-------------------------	----------------

Net cash provided by investing activities 348,187

Net change in cash 631,170

Cash, and cash equivalents, July 1, 2008 13,069,972

Cash and cash equivalents, January 31, 2009 \$13,701,142

Schedule E

SELF-INSURANCE FUND

***BALANCE SHEET
JANUARY 31, 2009***

	<i>January 31, 2009</i>
<i>ASSETS</i>	
Pooled Cash and Investments	\$8,265,399
Restricted cash	3,183
<i>Total Current Assets</i>	8,268,582
Advances to Other Funds	2,249,000
<i>Total Assets</i>	\$10,517,582
<i>LIABILITIES AND FUND EQUITY</i>	
<i>Current Liabilities</i>	
Accounts Payable	\$6,772
Accrued Liability for Self-Insurance Claims-current	5,948,241
<i>Total Current Liabilities</i>	5,955,013
Accrued Liability for Self-Insurance Claims-long-term	18,961,950
<i>Total Liabilities</i>	24,916,963
<i>Fund Equity (Deficit)</i>	
Retained Earnings (Deficit)	(14,399,381)
<i>Total Fund Equity (Deficit)</i>	(14,399,381)
<i>Total Liabilities and Fund Equity (Deficit)</i>	\$10,517,582

Schedule E-1

SELF-INSURANCE FUND

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED JANUARY 31, 2009 - 58.9% EXPIRED

	(A) Annual Budget	Year-To-date Actual Without Enc.	Budget % Without Enc.	Projected Actual 6/30/2009	2008 Year-to-date Actual Without Enc.	2008 Budget % Without Enc.
OPERATING REVENUES						
Charges for services	\$2,402,688	\$1,449,866	60.3%	\$2,402,688	\$1,437,124	59.8%
Miscellaneous revenues	-	-	N/A	-	270,676	N/A
Total Operating Revenues	2,402,688	1,449,866	60.3%	2,402,688	1,707,800	71.1%
OPERATING EXPENSES:						
Salaries and employee benefits	778,400	428,618	55.1%	730,000	403,268	55.7%
Services and supplies	20,995	9,959 (B)	47.4%	20,995	9,423	44.9%
Other professional services	90,745	50,038	55.1%	90,745	51,366	54.5%
Insurance and claims	4,063,378	3,097,980 (E)	76.2%	4,063,378	2,098,611	55.0%
Interdepartmental charges	20,005	11,705	58.5%	20,005	7,918	59.1%
Other	6,800	3,158 (B)	46.4%	6,800	3,258	47.9%
Total Operating Expenses	4,980,323	3,601,458	72.3%	4,931,923	2,573,844	55.0%
OPERATING INCOME (LOSS)	(2,577,635)	(2,151,592)	83.5%	(2,529,235)	(866,044)	38.1%
OPERATING TRANSFERS IN	2,278,763	1,649,933 (C)	72.4%	2,278,763	1,675,372	75.5%
OPERATING TRANSFERS (OUT)	(5,518)	(3,546) (D)	64.3%	(5,518)	(4,897)	58.9%
NET INCOME (LOSS)	\$ (304,390)	\$ (505,205)	166.0%	\$ (255,990)	\$ 804,431	-1259.3%

(A) The annual budget includes prior year encumbrances of \$40,000.

(B) Expenses are incurred on an as-needed basis.

(C) Budget and actual includes Reserve funding from FY07-08 carryover in the amount of \$748,763 as approved by Council on 12/9/08, Item #12D.

(D) Annual transfer to the Data Comm Replacement Fund was posted in July.

(E) Settlement claim amounting to \$670,425 was paid in January.

SELF-INSURANCE FUND**STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED JANUARY 31, 2009*****Cash flows from operating activities***

Operating loss	(\$2,151,592)
Adjustments to reconcile operating loss to net cash used by operating activities	
Decrease in advances to other funds	751,000
(Decrease) in accounts payable	<u>(148,995)</u>

Net cash used by operating activities (\$1,549,587)

Cash flows from noncapital financing activities

Operating transfers in	1,649,933
Operating transfers out	<u>(3,546)</u>

Net cash provided by noncapital financing activities 1,646,387

Net change in cash 96,800

Cash and cash equivalents, July 1, 2008 8,171,782

Cash and cash equivalents, January 31, 2009 \$8,268,582

Schedule F

AIRPORT FUND

BALANCE SHEET

January 31, 2009

	<u>January 31, 2009</u>
ASSETS	
Pooled Cash and Investments	\$6,578,088
Accounts Receivable	129,655
Interest Receivable	88,572
Total Current Assets	6,796,315
Property, Plant and Equipment, net	6,777,521
Total Assets	\$13,573,836
LIABILITIES AND FUND EQUITY	
Current Liabilities	
Accounts Payable	\$50,420
Deferred Liabilities	\$0
Accrued Liabilities	75,567
Total Current Liabilities	125,987
Total Liabilities	125,987
Fund Equity	
Unreserved Retained Earnings	13,447,849
Total Fund Equity	13,447,849
Total Liabilities and Fund Equity	\$13,573,836

Schedule F-1

AIRPORT FUND STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/09	2008 Year-to-Date Actual Without Enc.	2008 Budget % Without Enc.
OPERATING REVENUES						
Leased land area rentals	\$ 8,510,600	\$ 4,909,315 (A)	57.7%	\$ 8,263,000	\$ 4,646,484	57.1%
Hangar and building rentals	2,301,500	1,380,558	60.0%	2,348,000	1,300,658	57.4%
Airfield fees and charges	196,500	103,564 (B)	52.7%	191,000	117,498	62.8%
Other	16,000	6,219	38.9%	12,000	9,385	60.9%
Total Operating Revenues	11,024,600	6,399,656	58.0%	10,814,000	6,074,025	57.3%
OPERATING EXPENSES						
Salaries and employee benefits	1,695,764	964,762 (C)	56.9%	1,666,533	845,572	53.4%
Services and supplies	392,433	193,941	49.4%	392,000	210,743	60.5%
Other professional services	614,223	298,186 (D)	48.5%	562,000	125,328	24.6%
Depreciation and amortization	300,000	180,503	60.2%	300,000	151,053	50.3%
Insurance and Claims	28,169	16,771 (E)	59.5%	28,169	18,880	67.0%
Interdepartmental charges	705,398	410,279	58.2%	702,000	367,205	55.9%
Property tax in lieu, leased land rental	1,850,000	1,089,648	58.9%	1,850,000	1,087,540	58.8%
Other	33,950	6,670 (D)	19.6%	18,000	6,433	18.9%
Total Operating Expenses	5,619,937	3,160,760	56.2%	5,518,702	2,812,754	53.0%
OPERATING INCOME (LOSS)	5,404,663	3,238,896	59.9%	5,295,298	3,261,271	61.6%
NON-OPERATING REVENUES						
Interest income - Operations	350,000	189,693 (F)	54.2%	336,000	218,603	109.3%
Total Non-Operating Revenues	350,000	189,693	54.2%	336,000	218,603	109.3%
NON-OPERATING EXPENSES						
Interest expense	167,855	98,866	58.9%	167,855	109,900	58.8%
Income (Loss) before transfers	5,586,808	3,329,723	59.6%	5,463,443	3,369,974	63.5%
OPERATING TRANSFERS OUT	(5,842,972)	(3,612,743) (G)	61.8%	(5,842,972)	(3,363,961)	61.8%
FROM FUND BALANCE	135,876	—	0.0%	25,703	872,325	78.2%
NET INCOME (LOSS) BEFORE CAPITAL TRANSFERS OUT	(120,288)	(283,020)	235.3%	(353,826)	878,338	89.8%
CAPITAL RETURN OF FUND BALANCE	146,117	146,117 (H)	100.0%	146,117	—	N/A
CAPITAL DRAWDOWN OF FUND BALANCE	(25,829)	(25,829) (I)	100.0%	(25,829)	(953,152)	97.5%
NET INCOME (LOSS)	—	\$ (162,732)	N/A	\$ (233,538)	\$ (74,814)	N/A

(A) The percentage revenue for the retail and auto agencies is projected at 82% of a \$1,832,000 budget. As a result the overall leased land rentals is projected to be realized at 96% for non-aeronautical.

(B) Tiedown fees were budgeted at \$13,167 a month with the actual around \$12,500 a month with a projected 5.1% shortfall.

(C) The Airport administration has one vacancy for the Business Manager which was effective in December 2007.

(D) The budget for other professional services and travel has not been fully utilized as these costs are variable by nature and expenditures occur at the department's discretion.

(E) Includes payment of \$8,492 to Alliant Insurance utilizing 30.1% of the budget.

(F) The interest earnings are lower than anticipated due to a lower cash balance.

(G) \$400,000 transferred to the general fund for capital projects utilizing 6.9% of the budget and a higher portion of the fund balance at the start of the fiscal year.

(H) FEAP#671 improvements to one half of a hanger for a training and meeting room was closed and a substantial savings was transferred back to the aeronautical operating fund.

(I) Transfer to capital projects mainly to FEAP#688 for automated key card gates representing 77% of the budget.

Schedule F-2

AIRPORT - AERONAUTICAL STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/09	2008 Year-to-Date Actual Without Enc.	2008 Budget % Without Enc.
OPERATING REVENUES						
Leased land area rentals	\$ 1,292,600	\$ 756,543	58.5%	\$ 1,303,000	\$ 672,521	58.8%
Hangar and building rentals	2,301,500	1,380,558	60.0%	2,348,000	1,300,658	57.4%
Airfield fees and charges	196,500	103,564 (A)	52.7%	191,000	117,498	62.8%
Other	16,000	6,219	38.9%	12,000	9,385	60.9%
Total Operating Revenues	3,806,600	2,246,884	59.0%	3,854,000	2,100,062	58.1%
OPERATING EXPENSES						
Salaries and employee benefits	1,469,231	830,653 (B)	56.5%	1,440,000	728,694	53.3%
Services and supplies	392,433	193,941	49.4%	392,000	201,294	60.5%
Other Professional services	505,211	255,483 (C)	50.6%	480,000	82,708	20.6%
Depreciation and amortization	300,000	180,503	60.2%	300,000	151,053	50.3%
Insurance and claims	28,169	16,771	59.5%	28,169	18,880	67.0%
Interdepartmental charges	705,398	410,279	58.2%	702,000	367,205	55.9%
Payment to City in lieu of taxes	250,000	147,250	58.9%	250,000	146,965	58.8%
Other	9,500	635 (C)	6.7%	5,000	680	7.2%
Total Operating Expenses	3,659,942	2,035,515	55.6%	3,597,169	1,697,479	50.8%
OPERATING INCOME (LOSS)	146,658	211,369	144.1%	256,831	402,583	149.4%
NON-OPERATING EXPENSES						
Interest expense	167,855	98,866	58.9%	167,855	109,900	58.8%
Total Non-Operating Expenses	167,855	98,866	58.9%	167,855	109,900	58.8%
Income (Loss) before transfers	(21,197)	112,503	630.7%	88,976	292,683	354.3%
OPERATING TRANSFERS OUT FROM FUND BALANCE	(22,209)	(19,919) (D)	89.7%	(22,209)	(11,922)	58.8%
	—	—	NA	—	—	NA
NET INCOME (LOSS) BEFORE CAPITAL TRANSFERS OUT	(43,406)	92,584	-313.3%	66,767	280,761	368.6%
CAPITAL RETURN OF FUND BALANCE	146,117	146,117 (E)	100.0%	146,117	—	NA
CAPITAL DRAWDOWN OF FUND BALANCE	(25,829)	(25,829) (F)	100.0%	(25,829)	(51,370)	67.4%
NET INCOME (LOSS)	\$ 76,882	\$ 212,872	276.9%	\$ 187,055	\$ 229,391	NA

(A) Tiedown fees were budgeted at \$13,167 a month with the actual around \$12,500 a month with a projected 5.1% shortfall.

(B) The Airport administration has one vacancy for the Business Manager which was effective in December 2007.

(C) The budget for other professional services and travel has not been fully utilized as these costs are variable by nature and expenditures occur at the department's discretion.

(D) Transferred 100% to the Telephone, Data and Radio Replacement funds to ensure these funds are fully funded when the expenditures are incurred.

(E) FEAP#671 improvements to one half of a hanger for a training and meeting room was closed and a substantial savings was transferred back to the aeronautical operating fund.

(F) Transfer to capital projects mainly to FEAP#688 for automated key card gates representing 77% of the budget.

Schedule F-3

AIRPORT - NON-AERONAUTICAL STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/09	2008 Year-to-Date Actual Without Enc.	2008 Budget % Without Enc.
OPERATING REVENUES						
Leased land area rentals	\$ 7,218,000	\$ 4,152,772 (A)	57.5%	\$ 6,960,000	\$ 3,973,963	56.9%
Total Operating Revenues	7,218,000	4,152,772	57.5%	6,960,000	3,973,963	56.9%
OPERATING EXPENSES						
Salaries and employee benefits	226,533	134,109	59.2%	226,533	116,878	53.5%
Services and supplies	—	—	NA	—	9,449	58.8%
Other Professional services	109,012	42,703 (B)	39.2%	82,000	42,620	39.1%
Leased Land Rental	1,600,000	942,398	58.9%	1,600,000	940,575	58.8%
Other	24,450	6,035 (B)	24.7%	13,000	5,753	23.5%
Total Operating Expenses	1,959,995	1,125,245	57.4%	1,921,533	1,115,275	56.7%
OPERATING INCOME (LOSS)	5,258,005	3,027,527	57.6%	5,038,467	2,858,688	56.9%
NON-OPERATING REVENUES						
Interest income - Operations	350,000	189,693 (C)	54.2%	336,000	218,603	109.3%
Total Non-Operating Revenues	350,000	189,693	54.2%	336,000	218,603	109.3%
Income (Loss) before transfers	5,608,005	3,217,220	57.4%	5,374,467	3,077,291	58.9%
OPERATING TRANSFERS OUT FROM FUND BALANCE	(5,820,763)	(3,592,824) (D)	61.7%	(5,820,763)	(3,352,039)	61.8%
	212,758	212,872 (D)	100.1%	212,758	1,101,716	100.0%
NET INCOME (LOSS) BEFORE CAPITAL TRANSFERS OUT	—	(162,732)	NA	(233,538)	826,968	91.7%
CAPITAL DRAWDOWN OF FUND BALANCE	—	—	NA	—	(901,782)	100.0%
NET INCOME (LOSS)	—	(162,732)	NA	(233,538)	(74,814)	NA

(A) The percentage revenue for the retail and auto agencies is projected at 82% of a \$1,832,000 budget. As a result the overall leased land rentals is projected to be realized at 96%.

(B) The budget for other professional services and travel has not been fully utilized as these costs are variable by nature and expenditures occur at the department's discretion.

(C) The interest earnings are lower than anticipated due to a lower cash balance.

(D) \$400,000 transferred to the general fund for capital projects utilizing 6.9% of the budget and a higher portion of the fund balance at the start of the fiscal year.

AIRPORT FUND
STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED JANUARY 31, 2009

Cash flows from operating activities

Operating income	\$3,238,896	
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	180,503	
Decrease in accounts receivable	202,311	
(Decrease) in accounts payable	(554,841)	
(Decrease) in deferred liabilities	(102,598)	
(Decrease) in accrued liabilities	(27,578)	
Net cash provided by operating activities	<hr/>	\$2,936,693

Cash flows from capital and related financing activities

Capital expenditures	(136,922)	
Interest expense	(98,866)	
Net cash used by capital and related financing	<hr/>	(235,788)

Cash flows from noncapital financing activities

Operating transfer out	(3,612,743)	
Net cash used by noncapital financing activities	<hr/>	(3,612,743)

Cash flows from investing activities

Interest on investments	189,693	
Net change in cash	<hr/>	(722,145)

Cash and cash equivalents, July 1, 2008	<hr/>	7,300,233
---	-------	-----------

Cash and cash equivalents, January 31, 2009	<hr/> <hr/>	\$6,578,088
---	-------------	-------------

Schedule G**TRANSIT FUND****BALANCE SHEET
JANUARY 31, 2009**

	<u>January 31, 2009</u>
ASSETS	
Pooled Cash and Investments	\$2,186,816
Accounts Receivable	41,760
Inventory	895,722
Due from other Governments	34,424
<i>Total Current Assets</i>	3,158,722
Property, Plant and Equipment, net	9,351,836
Total Assets	\$12,510,558
LIABILITIES AND FUND EQUITY	
Current Liabilities	
Accounts Payable	\$59,305
Accrued Salaries and Benefits Payable	1,078,650
<i>Total Current Liabilities</i>	1,137,955
Deferred Liability	533,754
Total Liabilities	1,671,709
Fund Equity	
Retained Earnings - Unreserved	10,838,849
Total Fund Equity	10,838,849
Total Liabilities and Fund Equity	\$12,510,558

Schedule G-1

TRANSIT FUND OPERATING SUMMARY STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED JANUARY 31, 2009 - 58.9% EXPIRED

	(A) Annual Budget	Year-to-date Actual Without Enc.	Budget % W/O Enc.	Projected Actual 6/30/2009	2008 Year-to-date Actual Without Enc.	2008 Budget % W/O Enc.
OPERATING REVENUES						
Passenger cash fares	\$ 3,441,700	\$ 1,515,869 (B)	44.0%	\$ 3,000,000	\$ 1,347,530	53.7%
Special bus service	3,000	- (C)	0.0%	3,000	585	8.5%
Advertising	200,000	97,671 (D)	48.8%	200,000	100,113	50.1%
Miscellaneous	730	53,509 (E)	7330.0%	53,642	75,459	2078.8%
Total Operating Revenues	3,645,430	1,667,049	45.7%	3,256,642	1,523,687	56.0%
NON-OPERATING REVENUES						
SB-325 allocation	5,053,836	2,521,055 (O)	49.9%	5,042,112	3,127,474	57.4%
5% Security	248,222	- (F)	0.0%	248,222	-	0.0%
Proposition A Discretionary	3,017,542	1,760,233	58.3%	3,017,542	1,782,157	54.6%
Prop. C Disc. - Svc Exp	238,462	138,667	58.2%	238,462	131,548	60.9%
Prop. C Disc. - Shortfall & Zone M	179,379	104,462	58.2%	179,077	93,493	74.0%
Prop. C - Base Restructuring	605,048	352,945	58.3%	605,048	346,569	58.0%
Prop. C - BSIP Overcrowding	200,821	117,145	58.3%	200,821	115,030	58.0%
Prop. A - Torrance Dial-a-Lift	180,000	106,020	58.9%	180,000	109,075	58.8%
Prop. A - Local Return	2,211,945	1,229,998	55.6%	2,211,945	1,050,905	48.6%
Prop. A - Exchange	100,000	100,000 (M)	100.0%	100,000	200,000	100.0%
Transit STAF	1,895,174	- (F)	0.0%	781,277	-	0.0%
Other cities	6,000	11,920 (N)	198.7%	18,000	2,134	35.6%
Municipal Operators Service Program	260,349	- (F)	0.0%	260,349	94,460	25.2%
Capital Maintenance Revenues	2,250,000	- (G)	0.0%	2,250,000	-	0.0%
Interest	100,000	66,302 (H)	66.3%	100,000	138,773	277.5%
Total Non-Operating Revenues	16,546,778	6,508,747	39.3%	15,432,855	7,191,618	45.3%
Total Revenues / Resources	20,192,208	8,175,796	40.5%	18,689,497	8,715,305	46.8%
OPERATING EXPENSES						
Salaries and employee benefits	13,356,473	7,085,627 (I)	53.1%	12,029,927	6,685,828	53.3%
Services and supplies	3,285,853	1,786,434	54.4%	3,285,853	1,637,927	73.9%
Other professional services	1,934,821	682,912 (J)	35.3%	1,934,821	736,000	36.9%
Depreciation and amortization	2,148,000	1,113,487 (K)	51.8%	2,148,000	1,263,024	58.8%
Insurance and Claims	311,252	195,480	62.8%	311,252	140,417	40.0%
Interdepartmental charges	2,529,211	1,328,082 (I)	52.5%	2,271,893	1,234,714	53.8%
Other	87,288	44,852 (P)	51.4%	87,288	43,145	40.5%
Total Expenses	23,652,898	12,236,874	51.7%	22,069,034	11,741,055	54.2%
Income (Loss) before transfers	(3,460,690)	(4,061,078)	117.3%	(3,379,537)	(3,025,750)	99.8%
OPERATING TRANSFERS IN	1,254,000	738,606	58.9%	1,254,000	114,754	59.0%
OPERATING TRANSFERS (OUT)	(171,493)	(111,942) (L)	65.3%	(171,493)	(97,231)	58.8%
Income (Loss) before Capital Trfs Out	(2,378,183)	(3,434,414)	144.4%	(2,297,030)	(3,008,227)	100.2%
ADD: DEPRECIATION	2,148,000	1,113,487	51.8%	2,148,000	1,263,024	58.8%
CAPITAL DRAWDOWN OF FUND BALANCE	(1,055)	(1,055)	100.0%	(1,055)	(331,600)	100.0%
FROM FUND BALANCE	231,238	136,199	58.9%	150,085	696,929	58.8%
NET INCOME (LOSS)	\$ -	\$ (2,185,783)	N/A	\$ -	\$ (1,379,874)	N/A
PARTS AND FUEL INVENTORY PURCHASES						
Parts Inventory Purchases	435,900	426,860	97.9%	635,900	406,639	93.3%
Fuel Inventory Purchases	2,100,000	911,433	43.4%	1,900,000	844,613	56.3%
Lubricants Inventory Purchases	59,000	24,053	40.8%	59,000	15,107	25.6%
Total Parts & Fuel Inventory Purchases	2,594,900	1,362,346	52.5%	2,594,900	1,266,359	63.5%

- (A) Annual budget includes prior year encumbrances of \$13,061.
 (B) Actual base fare increase took effect in January, 2009, which was later than anticipated in the budget.
 (C) Special bus service requests are expected to be received in future months.
 (D) Advertising revenues are billed and received after the end of each quarter. Actual amount represents the revenues for the first and second quarter.
 (E) ID Card sales continue to increase during the year. Actual amount includes insurance reimbursement of \$52,912.
 (F) Prop C 5% Security and MOSIP will be remitted by the MTA upon approval of the MOU. The remittance of the STAF is still pending and will be reduced to \$781,277 for the current fiscal year.
 (G) Amount budgeted is for preventive maintenance cost which is included in this year's FTA grant application. The grant is expected to be approved and executed during the third quarter of the fiscal year.
 (H) This amount includes interest for prior year which is reversed in June 2009.
 (I) Actual salaries and benefits are low due to vacancies - Bus Operators and Supervisors. Lower labor charges decreased the actual indirect costs.
 (J) Contract service invoices for the Senior Taxi and Dial A Taxi program are not processed timely due to vendors' late submission of invoices.
 (K) Purchase of replacement buses are delayed resulting in lower depreciation expense for the year.
 (L) Annual transfers to the Telephone/Data/Radio Replacement funds were posted in July.
 (M) This amount represents Prop A Exchange with the City of Palos Verdes Estates as approved by Council on June 10, 2008.
 (N) Actual amount represents City of Lomita's reimbursement for the Dial-A-Taxi service for the 1st two quarters. Dial A Taxi ridership in the City of Lomita continues to increase.
 (O) The remittance for January amounting to \$420,176 was received and posted in February.
 (P) Additional travel and training expenses are expected to be incurred towards the end of the fiscal year.

TRANSIT FUND
STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED JANUARY 31, 2009

Cash flows from operating activities

Operating loss	(\$10,569,825)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation and amortization	1,113,487
Decrease in accounts receivable	40
Decrease in inventory	103,735
Decrease in due from governments	1,756,493
(Decrease) in accounts payable	(770,422)
(Decrease) in accrued liabilities	(18,485)
Increase in deferred liability	115,470
	<hr/>

Net cash used by operating activities (\$8,269,507)

Cash flows from capital and related financing activities

Capital expenditures	(261,966)
Contributed capital received	151,239
	<hr/>

Net cash used by capital and related financing (110,727)

Cash flows from noncapital financing activities

Operating transfers in (out)	626,664
Operating grants received	6,508,747
	<hr/>

Net cash provided by noncapital financing activities 7,135,411

Net change in cash (1,244,823)

Cash, restricted cash and cash equivalents, July 1, 2008 3,431,639

Cash, restricted cash and cash equivalents, January 31, 2009 \$2,186,816

Schedule G-3

Municipal Area Express (MAX)

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

For Seven Months Ended January 31, 2009 - 58.9% Expired

	Budget	Actual	% of Budget	Projected Actual 6/30/2009	2008 Year-to-date Actual W/O Enc.	2008 Budget % W/O Enc.
Revenues:						
Transit Revenues	\$ 437,748	\$ 255,353	58.3%	\$ 437,748	\$ 355,140	64.1%
Use of money and property	—	—	N/A	—	27,096	N/A
Intergovernmental	772,812	461,669	59.7%	772,812	286,612	61.1%
Total revenues	1,210,560	717,022	59.2%	1,210,560	668,848	65.4%
Expenditures:						
Current:						
Salaries & Benefits	16,200	9,530	58.8%	16,200	3,061	18.9%
Materials & Supplies	4,500	115 (A)	2.6%	4,500	756	16.8%
Professional Technical	1,186,792	487,518 (B)	41.1%	1,186,792	473,153	47.3%
City Charges	3,068	1,652 (C)	53.8%	2,800	518	16.9%
Total expenditures	1,210,560	498,815	41.2%	1,210,292	477,488	46.7%
From Fund Balance	—	—	N/A	—	—	N/A
Excess (deficiency) of revenues over expenditures	\$ —	\$ 218,207	N/A	\$ 268	\$ 191,360	N/A

(A) Materials & supplies budget is expected to be fully utilized by the end of the fiscal year.

(B) Contract service invoices for December and January are expected to be processed next month.

(C) Indirect cost budget amount is high - will be adjusted in FY09-10.

Schedule H

WATER FUND**BALANCE SHEET**

January 31, 2009

	January 31, 2009
ASSETS	
Pooled Cash and Investments	\$ 5,845,620
Accounts Receivable	3,876,473
Accrued Interest Receivable	107,524
Inventories	565,604
Total Current Assets	10,395,221
Restricted cash and investments	
Pooled cash and investments	562,231
Total Restricted Cash	562,231
Utility plant in service, net	63,223,496
Advances to other funds	1,154,432
Total Assets	\$ 75,335,380
LIABILITIES AND FUND EQUITY	
Current Liabilities	
Accounts Payable	\$ 1,185,504
Accrued Liabilities	288,308
Retainage Payable	432,132
Deposits	16,066
Revenue bonds due within one year	500,000
Interest on Revenue Bonds due within one year	46,183
Total Current Liabilities	2,468,193
Noncurrent Portion of revenue bonds outstanding	2,745,000
Total Liabilities	5,213,193
Fund Equity	
Retained Earnings - Unreserved	70,122,187
Total Fund Equity	70,122,187
Total Liabilities and Fund Equity	\$ 75,335,380

Schedule H-1

WATER FUND OPERATIONS

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget(A)	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/09	FY 2008 Year-To-Date Actual Without Enc.	FY 2008 Budget % Without Enc.
OPERATING REVENUES						
Water Sales	\$ 24,600,244	\$ 13,845,983	56.3%	\$ 23,985,000	\$ 13,600,822	61.6%
Other	960,166	562,829	58.6%	950,000	558,924	58.2%
Total Operating Revenues	25,560,410	14,408,812	56.4%	24,935,000	14,159,746	61.4%
OPERATING EXPENSES:						
Salaries and employee benefits	4,881,226	2,404,717 (B)	49.3%	4,055,000	2,298,390	50.0%
Services and supplies	1,198,380	465,483 (C)	38.8%	1,100,000	641,068	56.8%
Other professional services	854,335	318,113 (D)	37.2%	630,000	225,687	36.9%
Depreciation and amortization	1,243,800	732,598	58.9%	1,243,800	731,354	58.8%
Insurance and claims	92,109	34,602 (E)	37.6%	92,109	27,627	30.0%
In Lieu franchise payments	718,000	422,902	58.9%	718,000	422,184	58.8%
Interdepartmental charges	1,156,578	615,329 (F)	53.2%	1,050,000	575,412	53.6%
Cost of water	14,780,901	7,244,323 (G)	49.0%	13,960,000	6,860,178	49.0%
Others	1,576,575	1,512,489 (H)	95.9%	1,545,000	17,882	23.4%
Total Operating Expenses	26,501,904	13,750,556	51.9%	24,393,909	11,799,782	50.1%
OPERATING INCOME (LOSS)	(941,494)	658,256	169.9%	541,091	2,359,964	576.1%
NON-OPERATING REVENUES						
Interest income - Operations	500,000	227,687 (I)	45.5%	400,000	360,990	84.0%
Total Non-Operating Revenues	500,000	227,687	45.5%	400,000	360,990	84.0%
NON-OPERATING EXPENSES						
Interest expense	153,750	72,109 (J)	46.9%	142,000	79,144	43.6%
Total Non-Operating Expenses	153,750	72,109	46.9%	142,000	79,144	43.6%
Income (Loss) before transfers	(595,244)	813,834	236.7%	799,091	2,641,810	1169.3%
OPERATING TRANSFERS OUT FROM FUND BALANCE	(31,429)	(25,470) (K)	81.0%	(31,429)	(19,274)	57.4%
Net Income before Capital Transfers Out	2,528,346	1,113,309	44.0%	1,134,011	1,073,583	100.0%
Capital Drawdown of Fund Balance	(1,901,673)	(1,901,673) (L)	100.0%	(1,901,673)	(1,073,583)	100.0%
NET INCOME (LOSS)	\$ -	\$ -	N/A	-	\$ 2,622,536	338.7%

(A) Annual Budget includes prior year encumbrances budget of \$306,425.

(B) Regular salaries are under budget due to various vacant positions and less overtime worked. Also, the Workmen's Compensation budget up to 4 years has not been spent.

(C) Materials and supplies are purchased on as needed basis.

(D) Professional services are lower than budget, however, encumbrances of \$400,829 would expend another 47% of budget.

(E) There were no insurance claims under \$50,000 through January.

(F) Indirect costs are a flat percent of Salaries and Benefits which are low for the year.

(G) Invoices from MWD & West Basin for the month of January for approximately \$1,200,000 have not been received as of the end of January. In addition, the Desalter Water Supply costs have been low for the year.

(H) Amount includes the acquisition of real property for the North Torrance Well site for \$1,480,000 approved by Council on June 17, 2008 Item 12C.

(I) Cash balance has decreased almost \$3 million since the beginning of the fiscal year due to ongoing capital projects.

(J) The bond issuance cost budget of \$12,000 has not been spent.

(K) Operating Transfers Out to various Replacement Funds were booked 100% in July.

(L) The drawdown is to fund the Water Main Replacement project approved by Council on May 13, 2008 Item 13A.

WATER FUND
STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009

Cash flows from operating activities

Operating income	\$ 658,256	
Adjustments to reconcile operating income to net cash used by operating activities		
Depreciation and amortization	732,598	
Decrease in accounts receivable	1,342,299	
Decrease in prepaid	142	
(Increase) in inventory	(67,564)	
(Decrease) in accounts payable	(3,334,207)	
Increase in deposits	1,471	
Increase in retention	195,351	
(Decrease) in accrued liabilities	(138,052)	
Net cash used by operating activities	<u> </u>	\$ (609,706)

Cash flows from capital and related financing activities

Capital expenditures	(2,528,263)	
Interest and related costs paid on revenue bonds	(72,109)	
Net cash used by capital and related financing	<u> </u>	(2,600,372)

Cash flows from noncapital financing activities

Operating transfers out	(25,470)	
Net cash used by noncapital financing activities	<u> </u>	(25,470) (A)

Cash flows from investing activities

Interest on investments	227,687	
Net cash provided by investing activities	<u> </u>	227,687

Net change in cash (3,007,861)

Cash, restricted cash and cash equivalents, July 1, 2008 9,415,712

Cash, restricted cash and cash equivalents, January 31, 2009 \$ 6,407,851 (B)

(A) Excludes operating fund transfers out to capital subfund.

(B) Includes cash held by trustee and project cash.

EMERGENCY MEDICAL SERVICES FUND**BALANCE SHEET**

January 31, 2009

January 31, 2009**ASSETS****Current Assets**

Pooled Cash and Investments	\$	(10,847)
Accounts Receivable		77,714
Total Current Assets		66,867

Property, Plant and Equipment, net 82,007

Total Assets	\$	148,874
---------------------	----	----------------

LIABILITIES AND FUND EQUITY**Current Liabilities**

Accounts Payable	\$	2,297
Total Liabilities		2,297

Fund Equity(Deficit)

Retained Earnings - Reserved	7,600 (A)
Retained Earnings	138,977
Total Fund Equity(Deficit)	146,577

Total Liabilities and Fund Equity(Deficit)	\$	148,874
---	----	----------------

(A) Amount used to balance 2008-09 budget.

Schedule I-1

EMERGENCY MEDICAL SERVICES FUND

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget(A)	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/09	FY 2008 Year-To-Date Actual Without Enc.	FY 2008 Budget % Without Enc.
OPERATING REVENUES						
PM ALS Resp and Transport Fees	\$ 800,000	\$ 536,560 (B)	67.1%	\$ 845,000	\$ 538,320	78.5%
Medical Resupply Fee	160,000	71,599 (C)	44.7%	160,000	83,467	57.6%
Paramedic Medical Facility Fee	165,000	71,792 (D)	43.5%	125,000	100,309	97.4%
Total Operating Revenues	1,125,000	679,951	60.4%	1,130,000	722,096	77.3%
OPERATING EXPENSES:						
Salaries and employee benefits	9,296,114	5,052,356	54.3%	9,040,000	4,357,994	49.6%
Services and supplies	336,888	175,940 (E)	52.2%	300,000	147,883	51.5%
Other professional services	1,000	299	29.9%	1,000	45,752	98.3%
Depreciation and amortization	10,000	5,698	57.0%	10,000	3,521	50.3%
Capital Outlay	784	4,209 (F)	536.9%	5,000	4,428	107.4%
Others	10,000	7,068	70.7%	10,000	8,126	44.2%
Total Operating Expenses	9,654,786	5,245,570	54.3%	9,366,000	4,567,704	49.9%
OPERATING INCOME (LOSS)	(8,529,786)	(4,565,619)	53.5%	(8,236,000)	(3,845,608)	46.8%
Income (Loss) before transfers	(8,529,786)	(4,565,619)	53.5%	(8,236,000)	(3,845,608)	46.8%
OPERATING TRANSFERS IN	8,524,862	4,568,295 (G)	53.6%	8,238,676	3,845,608	46.8%
OPERATING TRANSFERS OUT	(2,676)	(2,676)	100.0%	(2,676)	-	N/A
FROM FUND BALANCE	7,600	- (G)	0.0%	-	-	0.0%
NET INCOME (LOSS)	\$ -	\$ -	N/A	\$ -	\$ -	N/A

(A) Annual Budget includes prior year encumbrances budget of \$4,924.

(B) Monthly revenues are budgeted at \$67,000 and actuals are averaging \$66,000 after excluding \$76,204 in FY07/08 accrued revenues that will be reversed in June 2009. Number of transports have declined slightly while fees have increased over the prior year. The budget was increased \$114,000 from the prior year.

(C) Medical resupply fee revenue is under budget due to timing of receipts from Gerber Ambulance.

(D) Medical facility fee revenue is under budget due to fewer number of responses compared to the prior year and timing of revenue receipts.

(E) Medical supply and vehicle charges are both under budget due to timing. Encumbrances for medical supplies use another 33% of budget.

(F) Medical equipment purchases that don't meet the dollar threshold for capitalization are expensed here. These smaller purchases are typically not budgeted for separately.

(G) Operating transfers in and use of fund balance are booked on an as needed basis.

EMERGENCY MEDICAL SERVICES FUND**STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009****Cash flows from operating activities**

Operating loss	\$	(4,565,619)	
Adjustments to reconcile operating loss to net cash used by operating activities			
Depreciation and amortization		5,698	
Decrease in accounts receivable		2,820	
(Decrease) in accounts payable		(8,012)	
Net cash used by operating activities			\$ (4,565,113)

Cash flows from capital and related financing activities

Capital expenditures	(24,426)	
Net cash used by capital and related financing		(24,426)

Cash flows from noncapital financing activities

Operating transfers in	4,568,295	
Operating transfers out	(2,676)	
Net cash provided by noncapital financing activities		4,565,619

Net change in cash (23,920)

Cash, restricted cash and cash equivalents, July 1, 2008 13,073

Cash, restricted cash and cash equivalents, January 31, 2009 \$ (10,847)

Schedule J

SANITATION ENTERPRISE FUND

BALANCE SHEET

January 31, 2009

	<u>January 31, 2009</u>
ASSETS	
Current Assets	
Pooled Cash and Investments	\$ 3,290,738
Accounts Receivable	1,295,586
Total Current Assets	4,586,324
Utility plant in service, net	78,471
Total Assets	\$ 4,664,795
 LIABILITIES AND FUND EQUITY	
Current Liabilities	
Accounts Payable	\$ 25,385
Accrued Liabilities	511,442
Total Liabilities	536,827
Fund Equity	
Retained Earnings - Reserved	624,044 (A)
Retained Earnings - Unreserved	3,503,924
Total Fund Equity	4,127,968
Total Liabilities and Fund Equity	\$ 4,664,795

(A) - Includes amount used to balance the 2008/09 budget.

Schedule J-1

SANITATION ENTERPRISE FUND

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget (A)	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/09	FY 2008 Year-To-Date Actual Without Enc.	FY 2008 Budget % Without Enc.
OPERATING REVENUES						
Refuse fee revenue	\$ 7,196,654	\$ 4,224,559	58.7%	\$ 7,190,000	\$ 4,025,396	60.5%
Sewer fee revenue	1,302,000	854,723 (B)	65.6%	1,350,000	876,073	70.5%
Recycling fee revenue	1,510,000	909,121	60.2%	1,550,000	924,602	63.8%
AB 939 fee revenue	730,000	465,666 (C)	63.8%	780,000	421,524	71.1%
Total Operating Revenues	10,738,654	6,454,069	60.1%	10,870,000	6,247,595	62.9%
OPERATING EXPENSES:						
Salaries and employee benefits	4,531,654	2,533,175	55.9%	4,325,000	2,365,012	57.4%
Services and supplies	3,014,935	1,661,994	55.1%	2,905,000	2,011,217	64.6%
Depreciation and amortization	25,180	14,643	58.2%	25,180	14,806	58.8%
Other professional services	2,579,893	939,671 (D)	36.4%	2,332,000	1,094,425	44.7%
Insurance and claims	222,374	99,136 (E)	44.6%	222,374	98,798	44.4%
Interdepartmental charges	839,823	479,163	57.1%	803,442	435,101	58.4%
Others	29,520	14,153 (F)	47.9%	27,210	11,166	37.8%
Total Operating Expenses	11,243,379	5,741,935	51.1%	10,640,206	6,030,525	56.4%
OPERATING INCOME (LOSS)	(504,725)	712,134	241.1%	229,794	217,070	128.6%
NON-OPERATING REV (EXP)						
Interest income (expense)	137,000	73,052 (G)	53.3%	121,000	77,686	77.7%
Total Non-Operating Revenues (Expense)	137,000	73,052	53.3%	121,000	77,686	77.7%
Income (Loss) before transfers	(367,725)	785,186	313.5%	350,794	294,756	144.7%
TRANSFERS IN	75,000	44,175	58.9%	75,000	44,100	58.8%
TRANSFERS OUT	(331,214)	(330,721) (H)	99.9%	(331,214)	(220,202)	99.8%
FROM FUND BALANCE	624,044	-	0.0%	43,976	5,483	0.6%
Net Income before Capital Transfers Out	105	498,640	N/A	138,556	124,137	N/A
Capital Drawdown of Fund Balance	(105)	(105)	N/A	(105)	(124,137)	100.0%
NET INCOME (LOSS)	\$ -	\$ 498,535	N/A	\$ 138,451	\$ -	N/A

(A) Annual budget includes prior year encumbrances budget of \$62,910.

(B) Sewer fee revenues are high due to the seasonality of water usage. Revenue budget was increased in FY2008-09 by \$58,000.

(C) AB939 revenues include \$99,000 in revenues accrued in FY07-08. These revenues will be reversed at fiscal year end.

(D) Contracts for emergency purchases are on an as needed basis. In addition, dump fees for December and January for approximately \$150,000 have not been paid.

(E) There were no insurance claims under \$50,000 through January.

(F) Out of town travel and Bad Debts are low through January.

(G) The FY08/09 budget for the Waste Management AB939 subfund was not reduced to better reflect its interest income.

(H) Transfers to various Replacement Funds were booked in full in July.

SANITATION ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009

<i>Cash flows from operating activities</i>		
Operating income	\$	712,134
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization		14,643
(Increase) in accounts receivable		(504)
(Decrease) in accounts payable		(290,820)
		<hr/>
<i>Net cash provided by operating activities</i>	\$	435,453
<i>Cash flows from capital and related financing activities</i>		
Capital Grants		119,209
Capital expenditures		(12,282)
		<hr/>
<i>Net cash provided by capital and related financing</i>		106,927
<i>Cash flows from noncapital financing activities</i>		
Operating transfers in		44,175
Operating transfers out		(330,721)
		<hr/>
<i>Net cash used by noncapital financing activities</i>		(286,546) (A)
<i>Cash flows from investing activities</i>		
Interest income (expense)		73,052
		<hr/>
<i>Net cash provided by investing activities</i>		73,052
		<hr/>
<i>Net change in cash</i>		328,886
Cash, restricted cash and cash equivalents, July 1, 2008		<hr/>
		2,961,852
Cash, restricted cash and cash equivalents, January 31, 2009	\$	<hr/> <hr/> 3,290,738 (B)

(A) Excludes operating fund transfers out to capital subfund.

(B) Includes project cash

CULTURAL ARTS CENTER ENTERPRISE FUND**BALANCE SHEET****January 31, 2009**

	<u>January 31, 2009</u>
ASSETS	
Pooled Cash and Investments	\$499,827
Accounts Receivable	13,432
Total Current Assets	513,259
Machinery and Equipment, net	484,216
Total Assets	\$997,475
LIABILITIES AND FUND EQUITY	
Current Liabilities	
Accounts Payable	\$175,056
Accrued liabilities	80,657
Total Liabilities	255,713
Fund Equity	
Retained Earnings - Reserved	45,499 (A)
Retained Earnings	696,263
Total Fund Equity	741,762
Total Liabilities and Fund Equity	\$997,475

(A) Represents amount used to balance FY08-09 budget.

Schedule K-1

CULTURAL ARTS CENTER ENTERPRISE FUND

STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/09	2008 Year-To-Date Actual Without Enc.	2008 Budget % Without Enc.
OPERATING REVENUES						
Charges for services	\$ 802,000	\$ 470,188	58.6%	\$ 834,000	\$ 481,714	63.7%
Total Operating Revenues	802,000	470,188	58.6%	834,000	481,714	63.7%
OPERATING EXPENSES:						
Salaries and employee benefits	1,483,324	841,329	56.7%	1,454,000	776,532	56.1%
Services and supplies	134,548	64,665 (A)	48.1%	128,000	59,618	44.2%
Other professional services	313,584	208,030 (B)	66.3%	313,584	179,456	59.1%
Depreciation and amortization	25,000	11,950 (C)	47.8%	25,000	4,527	50.3%
Interdepartmental charges	114,398	67,234	58.8%	114,398	63,163	58.8%
Other	12,400	566 (A)	4.6%	5,000	985	7.9%
Total Operating Expenses	2,083,254	1,193,774	57.3%	2,039,982	1,084,281	55.6%
OPERATING INCOME (LOSS)	(1,281,254)	(723,586)	56.5%	(1,205,982)	(602,567)	50.4%
NON-OPERATING REVENUES						
Other - Grants	73,200	31,333 (D)	42.8%	73,200	29,993	41.0%
TCAC Foundation - Grants	36,240	21,202	58.5%	36,240	16,754	67.0%
Total Non-Operating Revenues	109,440	52,535	48.0%	109,440	46,747	47.6%
Income (Loss) before transfers	(1,171,814)	(671,051)	57.3%	(1,096,542)	(555,820)	50.7%
OPERATING TRANSFERS IN	1,149,875	691,857	60.2%	1,120,102	531,158	49.7%
OPERATING TRANSFERS OUT	(14,975)	(12,221) (E)	81.6%	(14,975)	(8,999)	58.8%
FROM FUND BALANCE	45,499	—	0.0%	—	36,255	77.9%
NET INCOME (LOSS) BEFORE CAPITAL TRANSFERS OUT	8,585	8,585	100.0%	8,585	2,594	NA
CAPITAL DRAWDOWN OF FUND BALANCE	(8,585)	(8,585) (F)	100.0%	(8,585)	(2,594)	100.0%
OVER (UNDER) SUBSIDY	—	—	—	—	—	—

- (A) The budget for services, supplies and travel has not been fully utilized as these costs are variable by nature and expenditures occur at the department's discretion.
- (B) Includes annual payment to the TCAC Foundation in the amount of \$41,800 utilizing 13.3% of the professional services budget.
- (C) Anticipated expenditures later in the fiscal year on capital purchases will utilize the depreciation budget.
- (D) Events for other grants will generate higher levels of revenue as the year continues and will be 100% spent by the end of the fiscal year.
- (E) Transferred 100% to the Telephone, Data and Radio Replacement funds to ensure these funds are fully funded when the expenditures are incurred.
- (F) Transfer to FEAP684 updating the donor wall panels at the James Armstrong Theatre.

CULTURAL ARTS CENTER ENTERPRISE FUND
BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Meeting Rooms			Classrooms			Theaters			Total		
	Annual Budget 08/09	YTD Actual 1/31/2009	% of Budget To Actual	Annual Budget 08/09	YTD Actual 1/31/2009	% of Budget To Actual	Annual Budget 08/09	YTD Actual 1/31/2009	% of Budget To Actual	Annual Budget 08/09	YTD Actual 1/31/2009	% of Budget To Actual
Rental	\$ 223,000	\$ 153,879	69.0% (A)	\$ 165,000	87,506	53.0% (C)	\$ 118,000	\$ 52,665	44.6% (D)	\$ 506,000	\$ 294,050	58.1%
Labor	110,000	70,053	63.7% (A)	—	—	NA	186,000	106,085	57.0%	296,000	176,138	59.5%
Grant-Gen. Fund	73,200	31,333	42.8% (B)	—	—	NA	36,240	21,202	58.5% (E)	109,440	52,535	48.0%
Total Revenues	406,200	255,265	62.8%	165,000	87,506	53.0%	340,240	179,952	52.9%	911,440	522,723	57.4%
Less: Expenses												
Salaries and benefits	408,208	225,826	55.3%	341,408	189,198	55.4%	733,708	426,305	58.1%	1,483,324	841,329	56.7%
Service and Supplies	46,471	22,364	48.1% (F)	28,225	13,257	47.0% (F)	59,852	29,044	48.5% (F)	134,548	64,665	48.1%
Other professional services	104,317	75,952	72.8% (G)	76,859	38,416	50.0%	132,408	93,662	70.7% (H)	313,584	208,030	66.3%
Depreciation and amortization	15,000	6,619	44.1% (I)	—	—	NA	10,000	5,331	53.3% (I)	25,000	11,950	47.8%
Interdept. charges	38,561	22,662	58.8%	37,648	22,128	58.8%	38,189	22,444	58.8%	114,398	67,234	58.8%
Other	5,300	528	10.0% (F)	5,200	—	0.0% (F)	1,900	38	2.0% (F)	12,400	566	4.6%
Total expenses	617,857	353,951	57.3%	489,340	262,999	53.7%	976,057	576,824	59.1%	2,083,254	1,193,774	57.3%
Income (loss) from operations	(211,657)	(98,686)	46.6%	(324,340)	(175,493)	54.1%	(635,817)	(396,872)	62.4%	(1,171,814)	(671,051)	57.3%
Operating Transfers In	193,973	102,343	52.8%	322,904	180,331	55.8%	632,998	409,183	64.6%	1,149,875	691,857	60.2%
Operating Transfers Out	(4,602)	(3,657)	79.5% (J)	(5,743)	(4,838)	84.2% (J)	(4,630)	(3,726)	80.5% (J)	(14,975)	(12,221)	81.6%
From Fund Balance	22,286	—	0.0%	7,179	—	0.0%	16,034	—	0.0%	45,499	—	0.0%
Net Income (Loss) Before Capital Transfers Out	—	—	NA	—	—	NA	8,585	8,585	100.0% (K)	8,585	8,585	100.0%
Capital Drawdown of Fund Balance	—	—	NA	—	—	NA	(8,585)	(8,585)	NA	(8,585)	(8,585)	NA
Over (Under) subsidy without enc.	—	—	NA	—	—	NA	—	—	NA	—	—	NA

(A) Continued levels of higher activity at the Center has resulted in greater revenue than budgeted.

(B) Events for other grants will generate higher levels of revenue as the year continues and will be 100% spent by the end of the fiscal year.

(C) The revenue for the classrooms is lower than budget due to a lighter class volume for the month of December.

(D) Theater rental income volume is lower due to a bulk of bookings from non-paying clients such as: Cultural Services & TCAC Foundation.

(E) Events for the TCAC Foundation started in October with the majority of the events taking place every year in the springtime.

(F) The budget for services, supplies and travel has not been fully utilized as these costs are variable by nature and expenditures occur at the departments discretion.

(G) Utility payments are utilizing 80% of a \$47,000 budget for the meeting rooms. The variance is mainly due to the increase costs of new air conditioning at the Ken Miller Center.

The budget for next fiscal year will be adjusted.

(H) Includes annual payment to the TCAC Foundation in the amount of \$41,800 utilizing 31.6% of the professional services budget.

(I) Anticipated expenditures later in the fiscal year on capital purchases will utilize the depreciation budget.

(J) Transferred 100% to the Telephone, Data and Radio Replacement funds to ensure these funds are fully funded when the expenditures are incurred.

(K) Transfer to FEAP684 updating the donor wall panels at the James Armstrong Theatre.

Schedule K-3

CULTURAL ARTS CENTER ENTERPRISE FUND

**STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED JANUARY 31, 2009**

Cash flows from operating activities

Operating loss	(\$723,586)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation and amortization	11,950
Decrease in accounts receivable	26,979
(Decrease) in accounts payable	(27,909)
	<u> </u>

<i>Net cash used by operating activities</i>	(\$712,566)
---	-------------

Cash flows from capital and related financing activities

Capital Expenditures	(32,736)
	<u> </u>

Net cash used by capital and related financing activities	(32,736)
--	----------

Cash flows from noncapital financing activities

Operating transfers in	691,857
Operating transfers out	(12,221)
Grants received	52,535
	<u> </u>

<i>Net cash provided by noncapital financing activities</i>	<u>732,171</u>
--	----------------

<i>Net change in cash</i>	(13,131)
----------------------------------	----------

Cash and cash equivalents, July 1, 2008	<u>512,958</u>
--	----------------

Cash and cash equivalents, January 31, 2009	<u><u>\$499,827</u></u>
--	-------------------------

SEWER ENTERPRISE FUND**BALANCE SHEET****January 31, 2009****January 31, 2009****ASSETS**

Pooled Cash and Investments	\$	11,064,103
Accounts Receivable		100,338
Accrued Interest Receivable		126,789
Total Current Assets		11,291,230

Property, Plant and Equipment, net		43,002,022
Advances to other funds		419,028

Total Assets	\$	54,712,280
---------------------	----	-------------------

LIABILITIES AND FUND EQUITY**Current Liabilities**

Accounts Payable	\$	-
Retainage Payable		1,077
Total Liabilities		1,077

Fund Equity

Contributed Capital		2,786,254
Retained Earnings - Unreserved		51,924,949
Total Fund Equity		54,711,203

Total Liabilities and Fund Equity	\$	54,712,280
--	----	-------------------

Schedule L-1

SEWER ENTERPRISE FUND OPERATIONS STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget(A)	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 6/30/2009	FY 2008 Year-to-Date Actual Without Enc.	FY 2008 Budget % Without Enc.
OPERATING REVENUES						
Sewer charges	\$ 2,202,500	\$ 1,044,662 (B)	47.4%	\$ 1,800,000	\$ 1,070,756	62.9%
Sewer revolving fees	32,000	7,275 (C)	22.7%	15,000	7,994	25.0%
Total Operating Revenues	2,234,500	1,051,937	47.1%	1,815,000	1,078,750	62.2%
OPERATING EXPENSES						
Salaries and employee benefits	867,296	349,390 (D)	40.3%	590,000	312,966	48.9%
Services and supplies	26,921	4,163 (E)	15.5%	10,000	2,564	9.5%
Other professional services	112,827	20,721 (F)	18.4%	70,000	10,028	8.5%
Depreciation	1,005,000	591,945	58.9%	1,005,000	590,940	58.8%
Interdepartmental charges	166,910	92,986	55.7%	160,000	83,336	54.2%
Other	14,014	892 (G)	6.4%	6,000	2,046	14.6%
Total Operating Expenses	2,192,968	1,060,097	48.3%	1,841,000	1,001,880	51.2%
OPERATING INCOME (LOSS)	41,532	(8,160)	-119.6%	(26,000)	76,870	134.4%
NON-OPERATING REVENUES						
Interest income - Operations	500,000	282,874	56.6%	470,000	324,864	92.8%
Total Non-Operating Revenues	500,000	282,874	56.6%	470,000	324,864	92.8%
Income before transfers	541,532	274,714	50.7%	444,000	401,734	317.1%
OPERATING TRANSFERS OUT	(75,000)	(44,175)	58.9%	(75,000)	(44,100)	58.8%
FROM FUND BALANCE	52,018	52,018	100.0%	52,018	158,909	33.2%
Net Income before Capital Transfers Out	518,550	282,557	54.5%	421,018	516,543	1027.5%
Capital Drawdown of Fund Balance	(518,550)	(518,550) (H)	100.0%	(518,550)	(516,543)	97.3%
NET INCOME (LOSS)	\$ -	\$ (235,993)	N/A	\$ (97,532)	\$ -	N/A

(A) Annual budget includes prior year encumbrances budget of \$16,378.

(B) The budget for sewer charges was increased over prior year while the water consumption has remained consistent.

(C) Construction permit activity is low for the year.

(D) Regular salaries are lower than budget due to greater utilization of staff for capital improvement projects.

(E) Budget of \$15,000 for vehicle equipment repairs has not been spent.

(F) Professional Services contracts are utilized as needed. Encumbrances of \$21,000 would increase expenditures by 20%.

(G) The travel & training budget of \$6,500 has not been spent and bad debt charges are low.

(H) The drawdown includes \$500,000 to fund the Sewer Rehabilitation Project approved by Council on May 13, 2008 Item 13A.

SEWER ENTERPRISE FUND OPERATIONS
STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009

Cash flows from operating activities

Operating loss	\$ (8,160)	
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation and amortization	591,945	
Decrease in accounts receivable	153,518	
(Decrease) in accounts payable	(17,694)	
(Decrease) in retainage payable	(97,014)	
Net cash used by operating activities	<u>622,595</u>	\$ 622,595

Cash flows from capital and related financing activities

Capital expenditures	(247,280)	
Net cash used by capital and related financing	<u>(247,280)</u>	(247,280)

Cash flows from non-capital financing activities

Operating transfers out	(44,175)	
Net cash used by non-capital financing activities	<u>(44,175)</u>	(44,175) (A)

Cash flows from investing activities

Interest on investment	282,874	
Net cash provided by investing activities	<u>282,874</u>	282,874

Net change in cash 614,014

Cash, restricted cash and cash equivalents, July 1, 2008 10,450,089

Cash, restricted cash and cash equivalents, January 31, 2009 \$ 11,064,103 (B)

(A) Excludes operating fund transfers out to capital subfund.

(B) Includes project cash

Schedule M

PARKS AND RECREATION ENTERPRISE FUND

BALANCE SHEET

January 31, 2009

	<u>January 31, 2009</u>
ASSETS	
<i>Current Assets</i>	
Pooled Cash and Investments	\$ (309,026)
Accounts Receivable	506
<i>Total Current Assets</i>	<u>(308,520)</u>
Machinery & Equipment - Net	4,602
Buildings (Net)	17,542
<i>Total Assets</i>	\$ (286,376)
 LIABILITIES AND FUND EQUITY	
<i>Current Liabilities</i>	
Accounts Payable	\$ 26,487
<i>Total Liabilities</i>	<u>26,487</u>
 <i>Fund Equity (Deficit)</i>	
Retained Earnings - Unreserved	(312,863)
<i>Total Fund Equity (Deficit)</i>	<u></u>
<i>Total Liabilities and Fund Equity (Deficit)</i>	\$ (286,376)

Schedule M-1

PARKS AND RECREATION ENTERPRISE FUND

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget (A)	Year-To-date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/09	2008 Year-to-date Actual Without Enc.	2008 Budget % Without Enc.
OPERATING REVENUES						
Charges for services	\$ 4,354,040	\$ 2,855,555 (B)	65.6%	\$ 4,050,000	\$ 2,827,042	66.3%
Other	49,000	71,904 (C)	146.7%	95,000	67,068	N/A
Total Operating Revenues	4,403,040	2,927,459	66.5%	4,145,000	2,894,110	67.9%
OPERATING EXPENSES:						
Salaries and employee benefits	5,092,827	2,943,057	57.8%	4,930,000	2,790,417	57.4%
Services and supplies	1,067,985	532,190 (D)	49.8%	894,169	543,148	47.6%
Other professional services	1,234,908	729,898	59.1%	1,194,000	899,629	74.4%
Insurance and claims	18,421	5,534 (E)	30.0%	18,421	10,325	56.1%
Interdepartmental charges	767,489	449,886	58.6%	767,489	337,386	58.8%
Depreciation	-	1,651	N/A	3,000	-	N/A
Other	20,020	6,448 (F)	32.2%	20,020	7,519	41.3%
Total Operating Expenses	8,201,650	4,668,664	56.9%	7,827,099	4,588,424	58.7%
OPERATING INCOME (LOSS)	(3,798,610)	(1,741,205)	45.8%	(3,682,099)	(1,694,314)	47.6%
NON-OPERATING REVENUES						
Grants	-	-	-	-	-	-
Total Non-Operating Revenues	-	-	-	-	-	-
Income (Loss) before transfers	(3,798,610)	(1,741,205)	45.8%	(3,682,099)	(1,694,314)	-8.1%
OPERATING TRANSFERS IN	3,746,904	1,791,042 (G)	47.8%	3,746,034	1,736,027	50.9%
OPERATING TRANSFERS OUT	(63,935)	(49,837) (H)	77.9%	(63,935)	(41,713)	58.8%
OVER (UNDER) SUBSIDY	\$ (115,641)	\$ -	0.0%	\$ -	\$ -	0.0%

(A) Annual budget includes prior year encumbrances budget of \$70,159.

(B) Charges for Services are higher than budget due to the high volume of registrants for summer programs and continued high registration for youth sports and camp programs.

(C) Other revenues are high due to rental income at various sports facilities. These revenues were not tracked separately in prior years.

(D) Purchase of materials and supplies are on as needed basis.

(E) Claims have remained low through January. Half the amount shown reflects administration charges for the fiscal year.

(F) Local and out of town travel have remained low for the year.

(G) Operating Transfers In from the General Fund are recorded on an as needed basis.

(H) Operating Transfers Out to Telephone, Data Comm & Radio Comm Replacement Funds were booked 100% at the start of the fiscal year.

Schedule M-2

PARKS AND RECREATION - RECREATION SERVICES

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget (A)	Year-To-date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/09	2008 Year-to-date Actual Without Enc.	2008 Budget % Without Enc.
OPERATING REVENUES						
Charges for services	\$ 3,064,430	\$ 1,892,125 (B)	61.7%	\$ 2,800,000	\$ 1,823,513	58.6%
Other	49,000	66,133 (C)	135.0%	80,000	4,466	N/A
Total Operating Revenues	3,113,430	1,958,258	62.9%	2,880,000	1,827,979	58.7%
OPERATING EXPENSES:						
Salaries and employee benefits	3,977,727	2,332,672	58.6%	3,850,000	2,208,657	58.1%
Services and supplies	823,816	374,313 (D)	45.4%	650,000	342,831	39.9%
Other professional services	638,029	341,344 (E)	53.5%	614,000	435,625	64.7%
Insurance and claims	18,421	5,534 (F)	30.0%	18,421	10,325	56.1%
Interdepartmental charges	765,489	448,708	58.6%	765,489	336,210	58.8%
Depreciation	-	1,651	N/A	3,000	-	N/A
Other	14,020	4,861 (G)	34.7%	14,020	6,874	56.3%
Total Operating Expenses	6,237,502	3,509,083	56.3%	5,914,930	3,340,522	56.3%
OPERATING INCOME (LOSS)	(3,124,072)	(1,550,825)	49.6%	(3,034,930)	(1,512,543)	-8.3%
Income (Loss) before transfers	(3,124,072)	(1,550,825)	49.6%	(3,034,930)	(1,512,543)	-8.3%
OPERATING TRANSFERS IN	2,914,698	1,598,012 (H)	54.8%	2,914,698	1,551,610	59.7%
OPERATING TRANSFERS OUT	(59,435)	(47,187) (I)	79.4%	(59,435)	(39,067)	58.8%
OVER (UNDER) SUBSIDY	\$ (268,809)	\$ -	0.0%	\$ (179,667)	\$ -	0.0%

(A) Annual budget includes prior year encumbrances budget of \$60,082.

(B) Charges for Services are higher than budget due to the high volume of registrants for summer programs and continued high registration for youth sports and camp programs.

(C) Other revenues are high due to rental income at various sports facilities. These revenues were not tracked separately in prior years.

(D) Purchases of supplies and materials for various classes are on as needed basis.

(E) Expenses for Professional Services are lower, however encumbrances of \$14,000 would bring it up to 56%.

(F) Claims have remained low through January. Half the amount shown reflects administration charges for the fiscal year.

(G) Local and out of town travel have remained low for the year.

(H) Operating Transfers In from the General Fund are recorded on an as needed basis.

(I) Operating Transfers Out to Telephone, Data Comm & Radio Comm Replacement Funds were booked 100% at the start of the fiscal year.

Schedule M-3

PARKS AND RECREATION - CULTURAL SERVICES

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget (A)	Year-To-date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/09	2008 Year-to-date Actual Without Enc.	2008 Budget % Without Enc.
OPERATING REVENUES						
Charges for services	\$ 1,289,610	\$ 963,430 (B)	74.7%	\$ 1,250,000	\$ 1,003,529	87.3%
Other	-	5,771	N/A	15,000	62,602	N/A
Total Operating Revenues	1,289,610	969,201	75.2%	1,265,000	1,066,131	23.6%
OPERATING EXPENSES:						
Salaries and employee benefits	1,115,100	610,385	54.7%	1,080,000	581,760	54.9%
Services and supplies	244,169	157,877 (C)	64.7%	244,169	200,317	71.2%
Other professional services	596,879	388,554 (D)	65.1%	580,000	464,004	86.5%
Interdepartmental Charges	2,000	1,178	58.9%	2,000	1,176	58.8%
Other	6,000	1,587 (E)	26.5%	6,000	645	10.8%
Total Operating Expenses	1,964,148	1,159,581	59.0%	1,912,169	1,247,902	66.2%
OPERATING INCOME (LOSS)	(674,538)	(190,380)	28.2%	(647,169)	(181,771)	24.7%
NON-OPERATING REVENUES						
Grants	-	-	-	-	-	-
Total Non-Operating Revenues	-	-	-	-	-	-
Income (Loss) before transfers	(674,538)	(190,380)	28.2%	(647,169)	(181,771)	24.7%
OPERATING TRANSFERS IN	832,206	193,030 (F)	23.2%	651,669	184,417	22.7%
OPERATING TRANSFERS OUT	(4,500)	(2,650)	58.9%	(4,500)	(2,646)	58.8%
OVER (UNDER) SUBSIDY	\$ 153,168	\$ -	0.0%	\$ -	\$ -	0.0%

- (A) Annual budget includes prior year encumbrances budget of \$10,077.
- (B) Charges for Services are higher than budget due to the high volume of registrants in nearly all of the division's programs.
- (C) Services and supplies are high due to the division's advanced purchase of supplies and materials.
- (D) The division typically spends a large portion of its professional services budget during the summer programming session on agreements with production artists for City showcases, various youth performances and summer musicals.
- (E) The out of town travel budget has not been spent.
- (F) Operating Transfers In from the General Fund are recorded on an as needed basis.

PARKS AND RECREATION ENTERPRISE FUND**STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009****Cash flows from operating activities**

Operating loss	\$ (1,741,205)	
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation	1,651	
Decrease in accounts receivable	255	
Decrease in due from other governments	300,051	
Decrease in prepaids	91	
(Decrease) in accounts payable	(106,102)	
(Decrease) in deferred liabilities	(670,940)	
Net cash used by operating activities		\$ (2,216,199)

Cash flows from noncapital financing activities

Operating transfers in	1,791,042	
Operating transfers out	(49,837)	
Net cash provided by noncapital financing activities		1,741,205
Net change in cash		(474,994)

Cash and cash equivalents, July 1, 2008	<u>165,968</u>
Cash and cash equivalents, January 31, 2009	<u><u>\$ (309,026)</u></u>

Schedule N

CAPITAL IMPROVEMENTS FUND
BALANCE SHEET
January 31, 2009

ASSETS

Pooled Cash and Investments	\$	26,061,891	(a)
Accounts Receivables		-	

Total Assets	\$	25,663,740	
---------------------	-----------	-------------------	--

LIABILITIES AND FUND EQUITY

Current Liabilities

Accounts Payable	\$	417,104	
Retainage Payable		167,090	

Total Liabilities		584,194	
--------------------------	--	----------------	--

Fund Equity

Retained Earnings - Reserved		25,079,546	
------------------------------	--	------------	--

Total Fund Equity		25,079,546	
--------------------------	--	-------------------	--

Total Liabilities and Fund Equity	\$	25,663,740	
--	-----------	-------------------	--

(a) Includes funds from unrestricted Bond Fund of \$4,987,876.

Schedule N-1

CAPITAL IMPROVEMENTS FUND

Statement of Revenues, Expenditures and Changes in Fund Balances

For Seven Months Ended January 31, 2009 - 58.9% Expired

	<u>Actual</u>
Revenues:	
Other	\$ 14,270
Total revenues	14,270
Expenditures:	
Current:	
Salaries & Benefits	160,799
Materials, supplies and services	51,982
Professional and Technical	3,571,373
Capital outlay	146,406
Other	47,201
Total expenditures	3,977,761
Excess (deficiency) of revenues over expenditures	(3,963,491)
Operating transfers in	1,746,179
Operating transfers out	(120,000)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (2,337,312)
Fund balance, July 1, 2008	27,416,858
Fund balance, January 31, 2009	\$ 25,079,546

Note 1: This fund is managed by a multi-year project budget, and therefore a budget to actual comparison has not been presented.

Schedule O

PROP C (Fund 3301 and 3304) LOCAL RETURN/GRANTS AND DISCRETIONARY FUNDS
BALANCE SHEET
January 31, 2009

ASSETS

Pooled Cash and Investments	\$	6,212,952
Interest Receivables		72,806
Total Assets	\$	6,285,758

LIABILITIES AND FUND EQUITY

Current Liabilities

Accrued Liabilities	\$	-
Total Liabilities		-

Fund Equity

Retained Earnings - Reserved		6,285,758
Total Fund Equity		6,285,758

Total Liabilities and Fund Equity	\$	6,285,758
--	-----------	------------------

Schedule O-1

PROP C (Fund 3301 and 3304) LOCAL RETURN/GRANTS AND DISCRETIONARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For Seven Months Ended January 31, 2009 - 58.9% Expired

	<u>Actual</u>
Revenues:	
Use of money and property	\$ 168,481
Intergovernmental	1,111,473
Other	-
Total revenues	1,279,954
Expenditures:	
Charges from Other Departments	87,136
Materials, Supplies and Maintenance	-
Professional /Contract Services	118,639
Total expenditures	205,775
Excess (deficiency) of revenues over expenditures	1,074,179
Operating transfers in	-
Operating transfers out	829,843
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 244,336
Fund balance, July 1, 2008	6,041,422
Fund balance, January 31, 2009	\$ 6,285,758

Schedule P

Torrance Public Financing Authority Restricted Capital Project Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

For Seven Months Ended, January 31, 2009 - 58.9% Expired

	<u>Actual</u>
Revenues:	
Use of money and property	\$ 16,166
Total revenues	16,166
Expenditures:	
Current:	
Salaries & Benefits	—
Materials & Supplies	—
Professional Technical	448,299
Capital outlay	290,650
Total expenditures	738,949
Excess (deficiency) of revenues over expenditures	(722,783)
Other financing sources (uses):	
Operating transfers out	—
Operating transfers in	67,208
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(655,575)
Fund balance, July 1, 2008	3,002,860
Fund balance, January 31, 2009	\$ 2,347,285

Note: This fund is managed by a multi-year project budget, and therefore a budget to actual comparison has not been presented.

Schedule Q

Meadow Park Redevelopment Capital Project Fund
Statement of Revenues, Expenditures - Budget to Actual
For Seven Months Ended January 31, 2009 - 58.9% Expired

	Budget	Actual	% of Budget	Projected Actual 6/30/2009	2008 Year-to-date Actual W/O Enc.	2008 Budget % W/O Enc.
Revenues:						
Use of money and property	\$ 612	\$ 672 (A)	109.8%	\$ 672	\$ 335	N/A
Other	14,292	8,174	57.2%	14,292	8,174	60.3%
Total revenues	14,904	8,846	59.4%	14,964	8,509	62.8%
Expenditures:						
Salaries & employee benefits	—	—	N/A	—	—	N/A
Materials suppl & maintenance	—	—	N/A	—	—	N/A
Prof services/contracts & utilities	—	—	N/A	—	—	N/A
Travel, training & membership dues	—	—	N/A	—	—	N/A
Interdepartmental charges	—	—	N/A	—	—	N/A
Total expenditures	—	—	N/A	—	—	N/A
Excess (deficiency) of revenues over expenditures	14,904	8,846	59.4%	14,964	8,509	62.8%
Other financing sources (uses):						
Operating transfers in	—	—	N/A	—	—	N/A
Operating transfers out/transfer to City	—	—	N/A	—	—	N/A
Advances from County and developer	—	—	N/A	—	—	N/A
Total other financing sources, net	—	—	N/A	—	—	N/A
From Fund Balance	—	—	N/A	—	—	N/A
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 14,904	\$ 8,846	59.4%	\$ 14,964	\$ 8,509	62.8%

(A) This amount includes interest for prior year which is reversed in June 2009.

Schedule Q-1

Downtown Redevelopment Capital Project Fund
Statement of Revenues, Expenditures - Budget to Actual
For Seven Months Ended January 31, 2009 - 58.9% Expired

	(A) Budget	Actual	% of Budget	Projected Actual 6/30/2009	2008 Year-to-date Actual W/O Enc.	2008 Budget % W/O Enc.
Revenues:						
Use of money and property	\$ 22,323	\$ 14,680	(B) 65.8%	\$ 22,323	\$ 19,840	135.2%
Other	10,000	10,000	(C) 100.0%	10,000	64	N/A
Total revenues	32,323	24,680	76.4%	32,323	19,904	135.7%
Expenditures:						
Salaries & employee benefits	9,500	4,410	(D) 46.4%	9,500	4,860	51.2%
Materials suppl & maintenance	26,755	—	(E) 0.0%	26,755	207	0.8%
Prof services/contracts & utilities	668,417	24,889	(F) 3.7%	668,417	40,260	18.6%
Travel, training & membership dues	63,600	6,910	(E) 10.9%	63,600	10,486	16.5%
Interdepartmental charges	18,548	10,846	58.5%	18,548	10,489	58.8%
Total expenditures	786,820	47,055	6.0%	786,820	66,302	19.8%
Excess (deficiency) of revenues over expenditures	(754,497)	(22,375)	3.0%	(754,497)	(46,398)	14.5%
Other financing sources (uses):						
Advances from the City	337,058	198,527	58.9%	337,058	199,459	58.8%
Operating transfers in	436,758	—	(F) 0.0%	436,758	—	0.0%
Operating transfers out/transfer to City	(23,049)	(15,409)	(G) 66.9%	(23,049)	(14,259)	60.6%
Total other financing sources, net	750,767	183,118	24.4%	750,767	185,200	58.7%
From Fund Balance	3,730	—	0.0%	3,730	—	0.0%
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ —	\$ 160,743	N/A	\$ —	\$ 138,802	N/A

- (A) Annual budget includes prior year encumbrances of \$4,596.
 (B) This amount includes interest for prior year which is reversed in June 2009.
 (C) This amount represents a donation for trees to be planted on Cravens Avenue.
 (D) Salaries for January amounting to \$1,030 will be posted next month.
 (E) Project activity is minimal but is expected to increase in future months.
 (F) ERAF payment in the amount of \$436,758 is scheduled for remittance by May 1.
 (G) Annual transfer to Data Communication Replacement Fund was posted in July.

Schedule Q-2

Low Moderate Income Housing Redevelopment Capital Project Fund

Statement of Revenues, Expenditures - Budget to Actual

For Seven Months Ended January 31, 2009 - 58.9% Expired

	Budget	Actual	% of Budget	Projected Actual 6/30/2009	2008 Year-to-date Actual W/O Enc.	2008 Budget % W/O Enc.
Revenues:						
Use of money and property	\$ 226,600	\$ 220,769 (A)	97.4%	\$ 226,600	\$ 212,767	158.9%
Other	—	—	N/A	—	—	N/A
Total revenues	226,600	220,769	97.4%	226,600	212,767	158.9%
Expenditures:						
Salaries & employee benefits	245,350	148,077	60.4%	245,350	103,333	41.9%
Materials suppl & maintenance	164,498	61,528 (B)	37.4%	164,498	45,475	27.6%
Prof services/contracts & utilities	170,054	11,750 (B)	6.9%	170,054	—	0.0%
Travel, training & membership dues	1,100	— (B)	0.0%	1,100	—	0.0%
Interdepartmental charges	4,750	2,778	58.5%	4,750	2,687	58.8%
Total expenditures	585,752	224,133	38.3%	585,752	151,495	25.8%
Excess (deficiency) of revenues over expenditures	(359,152)	(3,364)	0.9%	(359,152)	61,272	-13.5%
Other financing sources (uses):						
Operating transfers in	1,293,202	786,576	60.8%	1,475,828	702,984	55.4%
Operating transfers out	(18,800)	(11,074)	58.9%	(18,800)	(11,055)	58.8%
Total other financing sources, net	1,274,402	775,502	60.9%	1,457,028	691,929	55.4%
From Fund Balance	—	—	N/A	—	—	N/A
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 915,250	\$ 772,138	84.4%	\$ 1,097,876	\$ 753,201	94.6%

(A) This amount includes interest for prior year which is reversed in June 2009.

(B) Project activity is minimal but is expected to increase in future months.

Note: The Low Mod Housing Fund has a cash balance of \$9,020,615 as of 1/31/09 that is available for projects.

Schedule R

Torrance Public Financing Authority Debt Service Fund Statement of Revenues, Expenditures and Changes in Fund Balances For Seven Months Ended, January 31, 2009 - 58.9% Expired

	1998 Certificates of Participation 10.3m Refunding	2004 A&B Certificates of Participation 43.13m Refunding	Total
Revenues:			
Use of money and property:			
Investment Earnings	\$ 15,262	\$ 67,297	\$ 82,559
Rental Income	357,647	961,737	1,319,384
Total revenues	372,909	1,029,034	1,401,943
Expenditures:			
Bond and other loan principal	205,000	—	205,000
Bond and other loan interest	168,011	963,186	1,131,197
Total expenditures	373,011	963,186	1,336,197
Excess (deficiency) of revenues over expenditures	(102)	65,848	65,746
Other financing sources (uses):			
Operating transfers out	—	(67,208)	(67,208)
Operating transfers in	—	—	—
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(102)	(1,360)	(1,462)
Fund balances, July 1, 2008	553,187	2,778,573	3,331,760
Fund balances, January 31, 2009	\$ 553,085	(A) \$ 2,777,213	(A) \$ 3,330,298

(A) Represents required bond reserves held with the fiscal agent.

Schedule S

Skypark Redevelopment Debt Service Fund
Statement of Revenues & Expenditures - Budget to Actual
For Seven Months Ended January 31, 2009 - 58.9% Expired

	Budget	Actual	% of Budget	Projected Actual 6/30/2009	2008 Year-to-date Actual W/O Enc.	2008 Budget % W/O Enc.
Revenues:						
Property taxes	\$ 592,966	\$ 343,955	58.0%	\$ 645,718	\$ 326,294	56.1%
Use of money and property	10,200	2,353 (A)	23.1%	10,200	464	15.5%
Total revenues	603,166	346,308	57.4%	655,918	326,758	55.9%
Expenditures:						
Administration	9,607	9,051 (B)	94.2%	9,607	9,282	108.3%
Bond and other loan principal	252,360	252,360 (C)	100.0%	252,360	469,591	100.0%
Bond and other loan interest	99,784	99,784 (C)	100.0%	99,784	128,274	100.0%
Total expenditures	361,751	361,195	99.8%	361,751	607,147	100.1%
Excess (deficiency) of revenues over expenditures	241,415	(14,887)	-106.2%	294,167	(280,389)	1269.0%
Other financing sources (uses):						
Operating transfers out - Low-Mod Housing Fund	(118,593)	(68,791)	58.0%	(129,144)	(65,259)	56.1%
Total other financing sources (uses)	(118,593)	(68,791)	58.0%	(129,144)	(65,259)	56.1%
From Fund Balance	—	—	N/A	—	138,364	100.0%
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 122,822	\$ (83,678)	168.1%	\$ 165,023	\$ (207,284)	N/A

- (A) Investment earnings are expected to increase as property tax increments are received in future months.
 (B) County bond admin costs are paid annually in December.
 (C) Bond principal and interest are paid semi-annually on July 1 and January 1.

Schedule S-1

Downtown Redevelopment Debt Service Fund
Statement of Revenues & Expenditures - Budget to Actual
For Seven Months Ended January 31, 2009 - 58.9% Expired

	Budget	Actual	% of Budget	Projected Actual 6/30/2009	2008 Year-to-date Actual W/O Enc.	2008 Budget % W/O Enc.
Revenues:						
Property taxes	\$ 1,814,410	\$ 920,242 (F)	50.7%	\$ 1,892,601	\$ 835,095	46.9%
Use of money and property	61,200	49,012 (A)	80.1%	61,200	42,616	213.1%
Total revenues	1,875,610	969,254	51.7%	1,953,801	877,711	48.8%
Expenditures:						
Administration	34,957	28,308 (B)	81.0%	34,957	30,845	90.0%
Bond and other loan principal	190,000	190,000 (C)	100.0%	190,000	180,000	100.0%
Bond and other loan interest	1,465,075	395,718 (C)	27.0%	1,463,111	401,060	28.1%
Other	1,031,858	525,169 (F)	50.9%	1,079,489	476,500	47.1%
Total expenditures	2,721,890	1,139,195	41.9%	2,767,557	1,088,405	41.0%
Excess (deficiency) of revenues over expenditures	(846,280)	(169,941)	20.1%	(813,756)	(210,694)	24.7%
Other financing sources (uses):						
Operating transfers out - Low Mod Housing	(362,882)	(184,048) (F)	50.7%	(378,520)	(167,019)	46.9%
Operating transfers out - Downtown Capital Fund	(436,758)	— (D)	0.0%	(436,758)	—	N/A
Advances from county deferred share	1,505,833	— (E)	0.0%	1,473,175	—	0.0%
Total other financing sources (uses)	706,193	(184,048)	126.1%	657,897	(167,019)	-15.0%
From Fund Balance	140,087	82,511	N/A	155,859	—	N/A
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ —	\$ (271,478)	N/A	\$ —	\$ (377,713)	-144.2%

- (A) Actual amount includes interest accrual for prior year which is reversed in June 2009.
 (B) County Bond admin fee increased this year.
 (C) Bond principal is paid annually on or before Sept 1; Interest is paid on or before Sept 1 and March 1.
 Interest on County loan is posted at year-end.
 (D) This transfer will cover for the ERAF payment which is due May 1.
 (E) County pass-through is received towards the end of the fiscal year.
 (F) The bulk of tax increments are normally received in December and April. The amount of the County pass-thru (shown as "other" above) and the amount of the operating transfers to Low-Mod Housing are directly proportional to the amount of incremental property tax received.

Schedule S-2

Industrial Redevelopment Debt Service Fund
Statement of Revenues & Expenditures - Budget to Actual
For Seven Months Ended January 31, 2009 - 58.9% Expired

	Budget	Actual	% of Budget	Projected Actual 6/30/2009	2008 Year-to-date Actual W/O Enc.	2008 Budget % W/O Enc.
Revenues:						
Sales tax	\$ 2,334,658	\$ 952,294 (A)	40.8%	\$ 1,765,935	\$ 1,299,719	56.8%
Property tax Flip	819,545	325,915 (B)	39.8%	651,829	—	0.0%
Property taxes	4,058,634	2,668,685 (C)	65.8%	4,840,820	2,353,529	59.1%
Use of money and property	144,840	42,270 (D)	29.2%	144,840	14,575	8.3%
Total revenues	7,357,677	3,989,164	54.2%	7,403,424	3,667,823	50.7%
Expenditures:						
Administration	80,652	92,413 (E)	114.6%	92,413	68,999	87.3%
Bond and other loan principal	1,920,000	1,671,000 (F)	87.0%	1,920,000	1,353,000	73.1%
Bond and other loan interest	1,421,061	722,154 (F)	50.8%	1,421,061	743,404	50.7%
Other	1,028,104	531,443 (C)	51.7%	1,210,205	389,617	38.7%
Total expenditures	4,449,817	3,017,010	67.8%	4,643,679	2,555,020	58.0%
Excess (deficiency) of revenues over expenditures	2,907,860	972,154	33.4%	2,759,745	1,112,803	39.2%
Other financing sources (uses):						
Operating transfers in	1,000,000	751,000 (F)	75.1%	1,000,000	503,000	50.3%
Operating transfers out - General Fund	(3,130,333)	(1,843,764)	58.9%	(2,417,764)	(1,813,719)	58.8%
Operating transfers out - Low Mod Housing	(811,727)	(533,737) (C)	65.8%	(968,164)	(470,706)	59.1%
Total other financing sources (uses)	(2,942,060)	(1,626,501)	55.3%	(2,385,928)	(1,781,425)	61.8%
From Fund Balance	34,200	34,200	100.0%	—	44,332	100.0%
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ —	\$ (620,147)	N/A	\$ 373,817	\$ (624,290)	N/A

- (A) Sales tax revenue decreased as a result of the current economic crisis. It is projected that sales tax revenue for this year will be 10% lower than the prior year.
- (B) This is remitted by the State and deposited by the General Fund. Actual amount represents the property tax flip for the first two quarters of the fiscal year.
- (C) The bulk of tax increments are normally received in December and April. The amount of the operating transfers to Low-Mod Housing are directly proportional to the incremental property tax received. County pass-through (shown as "other" above) is adjusted by the County at the end of the year because Pass-thru for tax increments from American Honda is calculated differently.
- (D) Investment earnings are expected to increase as property tax increments are received in future months.
- (E) County Bond admin fee increased this year.
- (F) Bond principal is paid on or before Sept 1. Interests are paid on or before September 1 and March 1. Actual amount includes quarterly payment of loan from the Self Insurance fund which is funded by a transfer from the Reserve account (shown as Operating Transfers In).

Schedule T

HOUSING AUTHORITY OF THE CITY OF TORRANCE (HA)

BALANCE SHEET

January 31, 2009

	<i>January 31, 2009</i>
ASSETS	
Pooled Cash and Investments	910,326
Prepays	445,222
<i>Total Current Assets</i>	1,355,548
Total Assets	\$1,355,548
LIABILITIES AND FUND EQUITY	
<i>Total Liabilities</i>	—
FUND EQUITY	
Administration Fund Balance	113,192
Housing Assistance Fund Balance	1,242,356
<i>Total Fund Equity</i>	1,355,548
Total Liabilities and Fund Equity	\$1,355,548

Schedule T-1

HOUSING AUTHORITY OF THE CITY OF TORRANCE (HA) STATEMENT OF REVENUE AND EXPENSES - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/2009	2007 Year-to-date Actual Without Enc.	2007 Budget % Without Enc.
Revenues:						
Use of money and property	\$ 75,000	\$ 33,266 (A)	44.4%	\$ 75,000	\$ 42,501	132.8%
Section 8 Fraud Recovery	—	7,002 (B)	N/A	—	—	N/A
Section 8 Voucher Program - HUD	5,511,000	3,165,096	57.4%	5,490,471	3,075,881	59.4%
Total revenues	5,586,000	3,205,364	57.4%	5,565,471	3,118,382	59.9%
Expenditures:						
Current:						
Salaries & Benefits	427,500	254,539	59.5%	427,500	238,401	60.1%
Materials & Supplies	13,020	2,822 (C)	21.7%	13,000	3,793	29.1%
Housing Assistance Payments (HAP)	5,100,000	3,060,023 (D)	60.0%	5,375,000	2,747,924	61.1%
Professional Technical	24,871	7,022 (C)	28.2%	24,870	5,864	22.5%
City Charges	72,300	43,653	60.4%	73,300	45,265	54.6%
Other	5,000	— (C)	0.0%	3,000	99	1.3%
Capital outlay	17,800	— (E)	0.0%	5,000	—	0.0%
Total expenditures	5,660,491	3,368,059	60.0%	5,921,670	3,041,346	60.3%
Excess (deficiency) of revenues over expenditures	(74,491)	(162,695)	218.4%	(356,199)	\$ 77,036	46.4%
Fund balances, July 1, 2008	1,518,243	1,518,243		1,445,954		
Fund balances, Ending	\$ 1,443,752	\$ 1,355,548		\$ 1,089,755		

- (A) The budget for interest earnings was substantially increased from \$32,000 to \$75,000 resulting in a lower than anticipated budget to actual interest earnings.
- (B) The Housing Authority (HA) is collecting on several fraud cases and half of the revenue is tracked in the Housing Assistant Payments fund and half is tracked in the Housing Administration fund. Tracking for fraud started this fiscal year and the budget will be put in place for next fiscal year.
- (C) The budget for materials, supplies, professional and other expenditure budget is a discretionary cost and is expended by the department as these needs arise.
- (D) The Housing Authority (HA) Housing Assistance Payments (HAP) has been increasing significantly as rents increase. Also existing participants on the program face job losses and need an increase in the amount subsidized by the HA. A midyear budget modification has been submitted increasing the budget by \$275,000 to cover the HAP expenses for the remainder of this fiscal year.
- (E) The capital outlay budget assists the Housing Authority to purchase replacement computers for the staff as the need arises.

Schedule T-2

HOUSING AUTHORITY OF THE CITY OF TORRANCE (HA)
STATEMENT OF REVENUE AND EXPENSES - HOUSING ASSISTANCE - BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/2009	2008 Year-to-date Actual Without Enc.	2008 Budget % Without Enc.
Revenues:						
Use of money and property	\$ 70,000	\$ 30,845 (A)	44.1%	\$ 70,000	\$ 42,501	132.8%
Section 8 Fraud Recovery - 1/2 HAP	—	3,501 (B)	NA	—	—	N/A
Section 8 Voucher Program - HAP	4,842,000	2,802,071	57.9%	4,819,471	2,741,151	59.1%
Total revenues	4,912,000	2,836,417	57.7%	4,889,471	2,783,652	59.6%
Expenditures:						
Current:						
Housing Assistance Payments (HAP)	5,100,000	3,060,023 (C)	60.0%	5,375,000	2,747,924	61.1%
Total expenditures	5,100,000	3,060,023	60.0%	5,375,000	2,747,924	61.1%
Excess (deficiency) of revenues over expenditures	(188,000)	(223,606)	118.9%	(485,529)	35,728	20.7%
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(188,000)	(223,606)	118.9%	(485,529)	\$ 35,728	20.7%
Fund balances, July 1, 2008	1,465,962	1,465,962		1,424,268		
Fund balances, Ending	\$ 1,277,962	\$ 1,242,356		\$ 938,739		

- (A) The budget for interest earnings was substantially increased from \$32,000 to \$70,000 resulting in a lower than anticipated budget to actual interest earnings.
- (B) The Housing Authority (HA) is collecting on several fraud cases and half of the revenue is tracked in the Housing Assistance Payments Fund. Tracking for fraud started this fiscal year and budget will be put in place for next fiscal year.
- (C) The Housing Authority (HA) Housing Assistance Payments (HAP) has been increasing significantly as rents increase. Also existing participants on the program face job losses and need an increase in the amount subsidized by the HA. A midyear budget modification has been submitted increasing the budget by \$275,000 to cover the HAP expenses for the remainder of this fiscal year.

Schedule T-3

HOUSING AUTHORITY OF THE CITY OF TORRANCE (HA) STATEMENT OF REVENUE AND EXPENSES - ADMINISTRATION - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/2009	2008 Year-to-date Actual Without Enc.	2008 Budget % Without Enc.
Revenues:						
Use of money and property	\$ 5,000	\$ 2,421	48.4%	\$ 5,000	—	NA
Section 8 Fraud Recovery - 1/2 Admin	—	3,501 (A)	NA	—	—	NA
Section 8 Voucher Program - Admin fees	669,000	363,025	54.3%	\$ 671,000	334,730	62.3%
Total revenues	674,000	368,947	54.7%	676,000	334,730	62.3%
Expenditures:						
Current:						
Salaries & Benefits	427,500	254,539	59.5%	427,500	238,401	60.1%
Materials & Supplies	13,020	2,822 (B)	21.7%	13,000	3,793	29.1%
Professional Technical	24,871	7,022 (B)	28.2%	24,870	5,864	22.5%
City Charges	72,300	43,653	60.4%	73,300	45,265	54.6%
Other	5,000	— (B)	0.0%	3,000	99	1.3%
Capital outlay	17,800	— (C)	0.0%	5,000	—	0.0%
Total expenditures	560,491	308,036	55.0%	546,670	293,422	53.9%
Excess (deficiency) of revenues over expenditures	113,509	60,911	53.7%	129,330	\$ 41,308	692.4%
Fund balances, July 1, 2008	52,281	52,281		21,686		
Fund balances, Ending	\$ 165,790	\$ 113,192		\$ 151,016		

(A) The Housing Authority (HA) is collecting on several fraud cases and half of the revenue is tracked in the Housing Administration Fund. Tracking for fraud started this fiscal year and budget will be put in place for next fiscal year.

(B) The budget for materials, supplies, professional and other expenditure budget is a discretionary cost and is expended by the department as these needs arise.

(C) The capital outlay budget assists the Housing Authority to purchase replacement computers for the staff as the need arises.

(THIS PAGE LEFT INTENTIONALLY BLANK)

Schedule U

Selected Special Revenue Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

For Seven Months Ended, January 31, 2009 - 58.9% Expired

	*Parks and Recreation Facilities Fund	*Seismic Education Fund	Street Lighting Assessment Fund	Drainage Improvement Fund
Revenues:				
Taxes	\$ -	\$ -	\$ 656,560	\$ -
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	20,891	1,348	-	-
Intergovernmental	7,700	-	-	-
Other	-	(10)	-	86
Total revenues	28,591	1,338	656,560	86
Expenditures:				
Current:				
Salaries & Benefits	-	-	264,972	-
Materials and Services	-	-	181,022	-
Professional Technical	-	-	992,373	-
City Charges	-	-	-	-
Other	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	1,438,367	-
Excess (deficiency) of revenues over expenditures	28,591	1,338	(781,807)	86
Other financing sources (uses):				
Operating transfers in	-	-	781,807	-
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	28,591	1,338	-	86
Fund balances (deficits), July 1, 2008	1,385,268	28,151	292,724	19,445
Fund Balances (deficits), January 31, 2009	\$ 1,413,859	\$ 29,489	\$ 292,724	\$ 19,531

* This fund does not have an annually adopted budget, but is budgeted over two or more years using a project budget. Therefore, this fund does not appear in the preceding "Expenditure Summary - Budget to Actual - All Funds with Annually Adopted Budgets" Schedules.

** While this fund is budgeted with a project budget, a portion of the budget is included in the Adopted Budget. This portion, which pertains to operating transfers out to the General Fund, is shown on the preceding "Expenditure Summary - Budget to Actual - All Funds with Annually Adopted Budgets" Schedules.

Schedule U-Continued

*Parks Rehabilitation and Open Space Fund	*Proposition C Fund	*Bicycle Transportation Fund	Underground Storage Tank Fund	**State Gas Tax Street Improvement Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
108,791	168,481	29	-	184,707
50,815	1,111,473	7,506	-	1,009,004
-	-	-	-	-
159,606	1,279,954	7,535	-	1,193,711
-	87,136	-	-	56,567
-	-	-	-	-
62,183	118,571	-	-	2,360,362
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
62,183	205,707	-	-	2,416,929
97,423	1,074,247	7,535	-	(1,223,218)
-	-	-	-	-
-	(829,842)	-	-	(494,760)
97,423	244,405	7,535	-	(1,717,978)
2,689,886	6,041,422	-	2,250	7,802,880
\$ 2,787,309	\$ 6,285,827	\$ 7,535	\$ 2,250	\$ 6,084,902

(Continued)

Schedule U

Selected Special Revenue Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

For Seven Months Ended, January 31, 2009 - 58.9% Expired

	Meadowpark Parking Lot District Fund	*Police Inmate Welfare Fund	*Grants and Donations Fund	Federal Housing and Community Development Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	-	1,325	(57,999)	-
Intergovernmental	-	-	1,904,078	-
Other	-	3,862	22,172	-
Total revenues	-	5,187	1,868,251	-
Expenditures:				
Current:				
Salaries & Benefits	-	-	167,980	-
Materials and Services	-	-	144,151	-
Professional Technical	5,616	-	215,217	-
City Charges	-	-	-	-
Other	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	5,616	-	527,348	-
Excess (deficiency) of revenues over expenditures	(5,616)	5,187	1,340,903	-
Other financing sources (uses):				
Operating transfers in	-	-	-	21,737
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(5,616)	5,187	1,340,903	21,737
Fund balances (deficits), July 1, 2008	36,801	48,978	560,854	666,856
Fund Balances (deficits), January 31, 2009	\$ 31,185	\$ 54,165	\$ 1,901,757	\$ 688,593

* This fund does not have an annually adopted budget, but is budgeted over two or more years using a project budget. Therefore, this fund does not appear in the preceding "Expenditure Summary - Budget to Actual - All Funds with Annually Adopted Budgets" Schedules.

Schedule U-Continued

*Asset Forfeiture Fund	*Geologic Hazard Abatement Fund	*El Camino Training Fund	*Prop 42 Traffic Congestion Relief Fund	DNA Sampling Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 656,560
256,998	-	-	-	-	256,998
72,913	-	-	69,525	-	570,011
-	-	-	641,663	330	4,732,569
5,328	-	41,171	-	-	72,609
335,239	-	41,171	711,188	330	6,288,747
-	-	-	-	-	576,655
57,275	-	-	-	-	382,448
(396)	-	-	-	-	3,753,926
-	-	-	-	-	-
958	-	-	-	-	958
-	-	-	-	-	-
57,837	-	-	-	-	4,713,987
277,402	-	41,171	711,188	330	1,574,760
-	-	-	-	-	803,544
-	-	-	-	-	(1,324,602)
277,402	-	41,171	711,188	330	1,053,702
2,942,094	14,317	530,748	2,399,996	10,470	25,473,140
\$ 3,219,496	\$ 14,317	\$ 571,919	\$ 3,111,184	\$ 10,800	\$ 26,526,842

Schedule V

CABLE & COMMUNITY RELATIONS/PUBLIC ACCESS

***BALANCE SHEET
January 31, 2009***

	<i>Cable & Community Relations January 31, 2009</i>	<i>Public Access January 31, 2009</i>	<i>Total</i>
<i>ASSETS</i>			
Pooled cash and investments	\$ 1,467,917	\$ 29,131	\$ 1,497,048
Accrued interest receivable	26,268	-	26,268
<i>Total Assets</i>	<i>\$ 1,494,185</i>	<i>\$ 29,131</i>	<i>\$1,523,316</i>
<i>LIABILITIES AND FUND BALANCE</i>			
<i>Current Liabilities</i>			
Accounts payable	\$ 665	\$ 2,080	\$ 2,745
Accrued salaries and benefits	108,221	-	108,221
<i>Total Liabilities</i>	<i>108,886</i>	<i>2,080</i>	<i>110,966</i>
<i>Fund Balance</i>			
Unreserved	1,385,299	27,051	1,412,350
<i>Total Liabilities and Fund Balance</i>	<i>\$ 1,494,185</i>	<i>\$ 29,131</i>	<i>\$1,523,316</i>

Schedule V-1

CABLE & COMMUNITY RELATIONS

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 6/30/2009	2008 Year-To-Date Actual Without Enc.	2008 Budget % Without Enc.
OPERATING REVENUES						
Franchise Fees	\$ 1,400,000	\$ 411,331 (A)	29.4%	\$ 1,448,000	690,903	49.4%
Miscellaneous	28,600	3,820	13.4%	10,000	7,132	14.7%
Total Operating Revenues	1,428,600	415,151	29.1%	1,458,000	698,035	48.2%
OPERATING EXPENSES:						
Salaries and employee benefits	954,388	519,326	54.4%	900,000	457,497	53.9%
Materials and supplies	43,854	25,696	58.6%	43,854	17,534	38.0%
Other professional services	75,297	46,410	61.6%	75,297	41,179	57.3%
Interdepartmental charges	77,738	45,529	58.6%	77,738	33,298	58.8%
Capital Acquisitions	39,080	17,175 (B)	43.9%	39,080	29,747	57.6%
Litigation and claims	8,594	2,571 (C)	29.9%	8,594	2,567	29.9%
Other	8,500	5,239	61.6%	8,500	3,501	41.2%
Total Operating Expenses	1,207,451	661,946	54.8%	1,153,063	585,323	53.6%
OPERATING INCOME (LOSS)	221,149	(246,795)	-211.6%	304,937	112,712	31.6%
NON-OPERATING REVENUES						
Interest income - Operations	50,000	60,034 (D)	120.1%	100,000	65,774	131.5%
Total Non-Operating Revenues	50,000	60,034	120.1%	100,000	65,774	131.5%
Income (Loss) before transfers	271,149	(186,761)	-168.9%	404,937	178,486	43.9%
OPERATING TRANSFERS OUT	(288,503)	(113,206)	39.2%	(288,503)	(89,063)	51.4%
Net Income before Capital Transfer	(17,354)	(299,967)	1728.5%	116,434	89,423	38.3%
Capital Drawdown of Fund Balance	(60,096)	(60,096) (E)	100.0%	(60,096)	(206,100)	100.0%
NET INCOME (LOSS)	\$ (77,450)	\$ (360,063)	464.9%	\$ 56,338	\$ (116,677)	-530.5%

(A) Franchise fees for the quarter ended 12/31/08 of approximately \$370,000 is expected in February 2009.

(B) Capital Acquisitions actuals are expected to be more in line with budget at year-end.

(C) There were no liability claims as of 1/31/09. The amount shown reflects administration charges.

(D) Interest earnings are higher than anticipated due to a high cash balance.

(E) Represents purchase of audio/visual equipment for the Katy Geissert Library as approved by Council on 11/25/08.

CABLE & COMMUNITY RELATIONS
STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009

Cash flows from operating activities

Operating loss	(\$246,795)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Decrease in accounts receivable	356,928
(Decrease) in accounts payable	(14,025)
Decrease in prepayments	259
	<u> </u>

Net cash provided by operating activities **\$96,367**

Cash flows from investing activities

Interest on investments	<u>60,034</u>
-------------------------	---------------

Net cash provided by investing activities **60,034**

Cash flows from non-capital financing activities

Transfers-out	<u>(173,302)</u>
---------------	------------------

Net cash used by non-capital financing activities **(173,302)**

Net change in cash **(16,901)**

Cash, and cash equivalents, July 1, 2008 **1,484,818**

Cash and cash equivalents, January 31, 2009 **\$1,467,917**

Schedule V-3

CABLE TV - PUBLIC ACCESS

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 6/30/2009	2008 Year-To-Date Actual Without Enc.	2008 Budget % Without Enc.
OPERATING REVENUES						
Cable TV access fees	\$ 173,000	83,452 (A)	48.2%	\$ 83,452	\$ 86,500	50.0%
TCTV workshops	412	868	210.7%	868	1,215	294.9%
Miscellaneous	2,500	1,140	45.6%	2,500	2,764	110.6%
Total Operating Revenues	175,912	85,460	48.6%	86,820	90,479	51.4%
OPERATING EXPENSES:						
Salaries and employee benefits	229,311	132,502	57.8%	229,311	132,571	57.8%
Materials and supplies	23,549	13,212	56.1%	23,549	4,775	27.6%
Other professional services	19,500	12,606	64.6%	19,500	8,550	43.8%
Interdepartmental charges	36,783	21,545	58.6%	36,783	15,579	58.8%
Capital Outlay	32,785	10,241 (B)	31.2%	32,785	-	0.0%
Litigation and claims	4,427	1,325 (C)	29.9%	4,427	1,323	29.9%
Other	3,100	1,882	60.7%	3,100	1,578	50.9%
Total Operating Expenses	349,455	193,313	55.3%	349,455	164,376	51.7%
OPERATING INCOME (LOSS)	(173,543)	(107,853)	62.1%	(262,635)	(73,897)	52.1%
OPERATING TRANSFERS IN	268,660	99,035 (D)	36.9%	268,660	77,116	51.3%
OPERATING TRANSFERS OUT	(6,025)	(4,175)	69.3%	(6,025)	(3,219)	58.8%
NET INCOME (LOSS)	\$ 89,092	(12,993)	-114.6%	\$ -	\$ -	N/A

(A) Represents Cable TV access fee payment from Time Warner.

This fee was replaced by the Public Education Government (PEG) fees. Projected PEG fees for 6/30/09 is \$130,000.

(B) The Capital Outlay budget is expected to be expended by fiscal year end.

(C) There were no liability claims as of 1/31/09. The amount shown reflects administration charges.

(D) The amount of \$99,035 was transferred from Cable and Community Relations to fund operations.

CABLE TV - PUBLIC ACCESS
STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009

<i>Cash flows from operating activities</i>	
Operating loss	\$ (107,853)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Decrease in accounts receivable	86,500
(Decrease) in accounts payable	<u>(11,294)</u>
<i>Net cash used by operating activities</i>	\$ (32,647)
<i>Cash flows from non-capital financing activities</i>	
Transfers in	99,035
Transfers out	<u>(4,175)</u>
<i>Net cash provided by non-capital financing activities</i>	<u>94,860</u>
<i>Net change in cash</i>	62,213
Cash, and cash equivalents, July 1, 2008	<u>(33,082)</u>
Cash and cash equivalents, January 31, 2009	<u>\$ 29,131</u>

ANIMAL CONTROL FUND**BALANCE SHEET**

January 31, 2009

January 31, 2009**ASSETS****Current Assets**

Pooled Cash and Investments \$ 22,736

Accounts Receivable 40,497

Total Current Assets 63,233**Total Assets** \$ 63,233**LIABILITIES AND FUND EQUITY****Current Liabilities**

Accounts Payable \$ -

Total Liabilities -**Fund Equity**

Retained Earnings - Reserved 8,855 (A)

Retained Earnings 54,378

Total Fund Equity 63,233**Total Liabilities and Fund Equity** \$ 63,233

(A) Amount used to balance 2008-09 budget.

Schedule W-1

ANIMAL CONTROL FUND

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/09	FY 2008 Year-To-Date Actual Without Enc.	FY 2008 Budget % Without Enc.
OPERATING REVENUES						
Animal licenses/permits	\$ 215,000	\$ 82,427 (A)	38.3%	\$ 190,000	69,952	28.6%
Donations/other revenues	-	2,570	N/A	4,000	991	N/A
Total Operating Revenues	215,000	84,997	39.5%	190,000	70,943	29.0%
OPERATING EXPENSES:						
Salaries and employee benefits	336,100	160,248 (B)	47.7%	285,000	92,477	38.4%
Services and supplies	6,000	974	16.2%	4,000	-	N/A
Other professional services	98,575	27,070 (C)	27.5%	80,000	31,244	36.6%
Training, travel and membership dues	6,000	-	0.0%	4,000	4,789	39.9%
Others-interdepartmental charges	15,828	9,275	58.6%	15,828	8,943	58.8%
Total Operating Expenses	462,503	197,567	42.7%	388,828	137,453	38.9%
OPERATING INCOME (LOSS)	(247,503)	(112,570)	45.5%	(198,828)	(66,510)	61.3%
FROM FUND BALANCE	8,855	- (D)	0.0%	-	27,362	58.8%
OPERATING TRANSFERS IN	238,648	112,570 (D)	47.2%	198,828	36,456	58.8%
NET INCOME (LOSS)	\$ -	\$ -	N/A	\$ -	\$ (2,692)	N/A

(A) The majority of license revenue comes from annual renewals in May and June. These May and June revenues totaling \$40,497 were received in July and accrued to FY07/08. They will be reversed in June 2009.

Payments to PetData for license fee collection services of (\$7,155) offset the license revenue.

(B) The Animal Control Supervisor vacancy was filled by internal promotion. A new Animal Control Officer was hired at the end of September 2008.

(C) Professional services are low due to timing of expenditures. There are encumbrances for LA County Animal Care & Control and Animal Emergency Medical Center totaling an additional 22% of budget.

(D) Use of transfers in and fund balance are booked on an as needed basis.

ANIMAL CONTROL FUND**STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009****Cash flows from operating activities**

Operating loss	\$ (112,570)
Adjustments to reconcile operating loss to net cash used by operating activities	
(Decrease) in accounts payable	<u>(30,776)</u>

Net cash used by operating activities \$ (143,346)

Net change in cash (30,776)

Cash, restricted cash and cash equivalents, July 1, 2008 53,512

Cash, restricted cash and cash equivalents, January 31, 2009 \$ 22,736

AIR QUALITY MANAGEMENT DISTRICT FUND***BALANCE SHEET******January 31, 2009***

	<u>January 31, 2009</u>	
ASSETS		
Pooled Cash and Investments	\$	113,007
Total Assets	\$	113,007
LIABILITIES AND FUND EQUITY		
Current Liabilities		
Accounts Payable	\$	16
Total Liabilities		16
Fund Equity		
Retained Earnings - Reserved		20,737 (A)
Retained Earnings - Unreserved		92,254
Total Fund Equity		112,991
Total Liabilities and Fund Equity	\$	113,007

(A) Represents amount used to balance FY08-09 budget

Schedule X-1

AIR QUALITY MANAGEMENT DISTRICT FUND

Statement of Revenues & Expenditures-Budget to Actual
FOR SEVEN MONTHS ENDED, JANUARY 31, 2009 - 58.9% EXPIRED

	Budget	Actual	% of Budget	Projected Actual at 06/30/09	2008 Year-to-date Actual Without Enc.	2008 Budget % Without Enc.
Revenues:						
Use of money and property	\$ 5,500	\$ 3,251	59.1%	\$ 5,500	\$ 3,671	122.4%
Intergovernmental	170,000	44,472 (A)	26.2%	175,000	45,249	27.9%
Total revenues	175,500	47,723	27.2%	180,500	48,920	29.6%
Expenditures:						
Current:						
Salaries & Benefits	49,104	26,282	53.5%	45,000	24,011	57.3%
Materials & Supplies	79,413	45,055	56.7%	75,000	45,616	57.4%
Professional Technical	67,720	35,280 (B)	52.1%	67,720	37,800	55.8%
Total expenditures	196,237	106,617	54.3%	187,720	107,427	56.8%
Excess (deficiency) of revenues over expenditures	(20,737)	(58,894)	284.0%	(7,220)	(58,507)	242.5%
From Fund Balance	20,737	20,737	100.0%	7,220	24,124	100.0%
Excess (deficiency) of revenues over expenditures	\$ -	\$ (38,157)	N/A	\$ -	\$ (34,383)	N/A

(A) The 2nd Qtr revenue of approximately \$42,000 is expected to be received in March, 2009.

(B) Consultant invoice for the second half of January for \$2,520 has not been paid.

VAN POOL/RIDESHARE FUND
BALANCE SHEET
January 31, 2009

ASSETS

Pooled Cash and Investments	\$ 321,485
Receivables -Miscellaneous	-
Total Assets	\$ 321,485

LIABILITIES AND FUND EQUITY**Current Liabilities**

Accounts Payable	\$ 4,376
Total Current Liabilities	4,376

Fund Equity

Retained Earnings - Unreserved	317,109
Total Fund Equity	317,109

Total Liabilities and Fund Equity	\$ 321,485
--	-------------------

Schedule Y-1

VANPOOL/RIDESHARE FUND STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL For Seven Months Ended January 31, 2009 - 58.9% Expired

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/09	Budget % Without Enc.	FY 2008 Year-to-date Actual Without Enc.	FY 2008 Budget % Without Enc.
OPERATING REVENUES							
Passenger Cash Fares	\$ 65,000	\$ 38,430	59.1%	\$ 65,000	100.0%	\$ 37,447	55.1%
Other Grants	45,200	25,806	57.1%	44,250	97.9%	18,848	55.6%
Total Operating Revenues	110,200	64,236	58.3%	109,250	99.1%	56,295	55.2%
OPERATING EXPENSES							
Salaries and employee benefits	66,084	40,578	61.4% (A)	72,673	110.0%	35,016	54.9%
Services and supplies	161,416	94,560	58.6%	157,317	97.5%	93,331	54.0%
Other professional services	3,600	-	0.0%	3,600	100.0%	-	0.0%
Other- Insurance	17,520	11,440	65.3% (B)	17,160	97.9%	-	0.0%
Total Operating Expenses	248,620	146,578	59.0%	250,750	100.9%	128,347	53.4%
OPERATING INCOME (LOSS)	(138,420)	(82,342)	40.5%	(141,500)	102.2%	(72,052)	47.9%
Operating Transfer In	154,900	91,236	58.9%	154,900	100.0%	91,081	58.8%
Operating Transfer Out	-	-	-	-	0.0%	-	-
Net Operating Transfers In	154,900	91,236	58.9%	154,900	100.0%	91,081	58.8%
NET INCOME (LOSS)	\$ 16,480	\$ 8,894	54.0%	\$ 13,400	81.3%	\$ 19,029	115.5%

Notes:

(A) The budget is based on the composite rate which is lower than actual hourly rate. Budget will be adjusted in 2009-10.

(B) The February insurance premium was posted at the end of January. Excluding this charge for \$1,450, actual expenditures would be 57% of budget.

(THIS PAGE LEFT INTENTIONALLY BLANK)

**CITY OF TORRANCE
INTEROFFICE COMMUNICATION**

March 11, 2009

TO: Members of the Budget Review Team

FROM: Linda A. Santos, Law Office Administrator

**SUBJECT: EXPLANATION OF 2008-09 MID-YEAR VARIANCES –
BUDGET VS. ACTUAL**

The City Attorney's Office met all budget expectations for mid-year end 2008-09.

(THIS PAGE LEFT INTENTIONALLY BLANK)

**CITY OF TORRANCE
INTEROFFICE COMMUNICATION**

March 11, 2009

TO: Members of the Budget Review Team

FROM: Sue Herbers, City Clerk

**SUBJECT: EXPLANATION OF 2008-09 MID-YEAR VARIANCES –
BUDGET VS. ACTUAL**

The City Clerk's Office met all budget expectations for mid-year end 2008-09.

(THIS PAGE LEFT INTENTIONALLY BLANK)

CITY OF TORRANCE INTEROFFICE COMMUNICATION

DATE: March 11, 2009

TO: Eric E. Tsao, Finance Director

FROM: Aram Chaparyan, Assistant to the City Manager

SUBJECT: Explanation of Variances – Total Budget vs. Actual Budget for the 2nd Quarter of 2008-09

GENERAL FUND

CITY COUNCIL

EXPENDITURES

Training, Travel & Membership Dues	-\$18,628.99	69.0%
---	---------------------	--------------

- Memberships and dues are paid at the beginning of the year, therefore causing the variance. Memberships include the COG, SCAG, US Conference of Mayors and others. The account will balance out for the remainder of the year.

CITY MANAGER

- There are no variances to report for the 2nd Quarter of 2008-09

AIRPORT

NON AERONAUTICAL

REVENUES

- There are no variances to report for the 2nd Quarter of 2008-09.

EXPENDITURES

- There are no variances to report for the 2nd Quarter of 2008-09.

(THIS PAGE LEFT INTENTIONALLY BLANK)

**CITY OF TORRANCE
INTEROFFICE COMMUNICATION**

March 11, 2009

TO: Members of the Budget Review Team

FROM: Linda M. Barnett, City Treasurer

SUBJECT: EXPLANATION OF 2008-09 MID-YEAR VARIANCES – BUDGET VS. ACTUAL

The City Treasurer's Office met all budget expectations for mid-year end 2008-09.

(THIS PAGE LEFT INTENTIONALLY BLANK)

CITY OF TORRANCE INTER-OFFICE COMMUNICATION

DATE: March 6, 2009

TO: Eric Tsao, Finance Director

FROM: Richard Shigaki, Communications & Information Technology Director

SUBJECT: CIT Budget Variance at Mid-Year FY 2008 - 2009

EXPENDITURES

FUND 1001 : GENERAL FUND

Account Description	% Expired	Budget Variance
Other Operating Transfers Out Totals	68%	(\$13,380.88)
Budgeted amounts are automatically and entirely transferred to the respective Telephone, Data, and Radio replacement fund at the beginning of the fiscal year. The budget will be in balance at the end of the fiscal year.		

FUND 1008 : TELEPHONE SERVICES

No variances.

FUND 1021: DATA COMM REPLACEMENT FUND

No variances.

FUND 1022: RADIO COMM REPLACEMENT FUND

No variances.

FUND 1023 : PC REPLACEMENT FUND

Account Description	% Expired	Budget Variance
Professional/Contract Services & Utilities	64%	(\$10,799.60)
Annual Microsoft software licensing costs are due the first month of each fiscal year creating variances during the year. The budget will be in balance at the end of the fiscal year.		

(THIS PAGE LEFT INTENTIONALLY BLANK)

FISCAL YEAR: 2008-09

AS OF: 01/31/09

TO: Eric E. Tsao, Finance Director

FROM: Jeffery W. Gibson, Community Development Director

SUBJECT: Explanation of Revenue Variances - Total Budget vs. Actual for Mid-Year FY 2008-2009

General Fund Operations Revenues

Character 000002 – License, Fees & Permits (40.8% recognized, (\$357,355.09) variance)

Page 1

Building construction activity has decreased due to the economy and it has affected inspections, plan check and the fees related to them.

Character 000006 – Charges for Services (40.1% recognized, (\$328,029.79) variance)

Page 2

The account is under received due to decreased activity in construction projects (Building & Safety).

Fund 5401 Downtown Debt Service R01

Character 000001 - Taxes (50.7% recognized, (\$148,445.78) variance)

Page 72

The bulk of property tax increments are normally received in December and April. We are projecting to receive the remainder by year end.

Character 000013 – Other Financing Sources (0,0% recognized, (\$886,935.64) variance)

Page 72

Advances from the County are received at the end of the year and represent the pass-through for the fiscal year. We anticipate being within budget by the end of the fiscal year.

Fund 5403 Industrial Debt Service R01

Page 76

Character 000004 - Use of Money and Property (29.2% recognized, (\$43,040.97) variance)

Investment earnings are determined by the cash balance each month. Investment earnings are expected to increase as property tax increments are received in future months.

FISCAL YEAR: 2008-2009

AS OF: 01/31/09

TO: Eric E. Tsao, Finance Director
FROM: Jeffery W. Gibson, Community Development Director
SUBJECT: Explanation of Expenditure Variances - Total Budget vs. Actual for Mid-Year FY 2008-2009

GENERAL FUND OPERATIONS

Liabilities & Other Insurance (77.0% expended, (\$20,139.71) variance)

Page 8

Paid two claims/settlements exceeding the \$65,000 budget for claims below \$50k.

Other Operating Transfers Out (71% expended, (11,695.88) variance)

Page 9

Budget amounts were transferred in their entirety for telephone, data, and replacement funding. This account classification will be in balance by the end of the fiscal year.

FUND 5402 SKYPARK (EXTERNALLY FUNDED)

Redevelopment – Debt Service

Debt Service (100% expended, (\$144,731.21) variance)

Page 70

This Character includes Bond principal and interest payments which are due and paid for on July and January. 100% of Bond principal and interest, for the year, was paid.

FUND 5403 INDUSTRIAL (EXTERNALLY FUNDED)

Redevelopment –Debt Service

Debt. Service (72% expended, (\$426,829.17) variance)

Page 78

This character includes bond principal and interest payments, Principal payments to City and accrued Interest. On or before September 1st, 100% of the bond principal was paid, and 75% of the "Principal Payment to City" was paid. Industrial Bond Interests are due and paid for, on or before September 1st, As of March 1st, 51% of Debt Service was paid.

CITY OF TORRANCE

INTEROFFICE COMMUNICATION

March 12, 2009

TO: MEMBERS OF THE BUDGET REVIEW TEAM

FROM: JOHN JONES, COMMUNITY SERVICES DIRECTOR

SUBJECT: EXPLANATION OF 2008-2009 Mid-Year VARIANCES

REVENUES

1001 - General Fund—Page 1

The revenues for the Divisions of the Community Services Department funded by the General Fund (Administrative Services, Library Services, and Park Services) are on track to meet or exceed budget goals at mid-year achieving 83%.

6902 - Enterprise Fund Recreation Services Division—Page 37

The revenues for the Recreation Services Division are on track to meet or exceed budget goals at mid-year achieving 59%.

6903 - Enterprise Fund Cultural Services Division—Page 52

The program revenues for the Cultural Services Division are on track to meet or exceed budget goals at mid-year achieving 55%.

2400—Transfers from General Fund [23.2%, (\$297,139)]: The transfer from General Fund is lower than planned. The Department is working with the Finance Department to finalize a subsidy plan for youth and senior programs.

EXPENDITURES

1001 - General Fund Page 3

The expenditures for the Divisions of the Community Services Department funded by the General Fund are on track to at mid-year.

Character 60—Liabilities, Settlements and Insurance [91%, \$43,692]: Liability claims have been higher than expected. Parks Services has worked with Risk Management throughout the year to improve public safety at our facilities and parks.

Character 85—Operating Transfers Out [72%, \$16,335]: Expenditures are higher than planned because the Telephone Replacement, Data Com Replacement, and Radio Com Replacement charges have been transacted at 100% prior to mid-year. These charges will balance out by the end of the year.

6902 - Enterprise Fund Recreation Services Division—Page 40

The overall Recreation Services Division expenditures are on track for the end of the year.

Character 85—Operating Transfers Out [79%, \$12,179]: Expenditures are higher than planned because the Telephone Replacement, Data Com Replacement, and Radio Com Replacement charges have been transacted at 100% prior to mid-year. These charges will balance out by the end of the year.

6903 - Enterprise Fund Cultural Services Division—Page 94

The Cultural Services Division overall expenditures are on track for the end of the year.

Character 35—Materials, Supplies, Maintenance [65%, \$14,061]: Youth programming is busiest in the summer and this causes the materials and supplies to appear out of balance for the first half of the fiscal year. The accounts level out towards the end of the fiscal year.

Character 45—Operating Transfers Out [65%, \$36,991]: The Division typically spends a large portion of this budget during the summer programming season on agreements with production artists for City Showcases and youth performances.

In addition, the Summer Musical is the largest of the five Torrance Theater Company performances. Production costs for this show have been rising each year, and the Division attempts to cover those costs with savings from other program areas.

CITY OF TORRANCE INTER-OFFICE COMMUNICATION

DATE: March 16, 2009

TO: Eric E. Tsao, Finance Director

FR: Joyce Reyes, Accounting Manager

RE: ***EXPLANATION OF VARIANCES – TOTAL BUDGET VS. ACTUAL FOR
MID-YEAR 2008-09***

REVENUES

Street Lighting District

1. Operating Transfers In – (50.6%, -\$107,969)

Transfers from the General Fund are under budget because only transfers sufficient to cover expenditures as of 12-31-08 were transferred to the Street Lighting District.

EXPENDITURES

General Fund

No fluctuation comment is required.

Street Lighting District

No fluctuation comment is required.

(THIS PAGE LEFT INTENTIONALLY BLANK)

CITY OF TORRANCE
INTEROFFICE COMMUNICATION

DATE: March 5, 2009

TO: Eric E. Tsao, Finance Director

FROM: William Racowschi, Fire Chief

**SUBJECT: Revenue Variances at the Department Level-- Budget vs. Actual
Mid-Year 2008-09**
*(58.9% expired as of 1/31/09; Explanation of variances is needed by
character where actual revenues are below budget by 5% and \$20,000)*

General Fund 1001

Charges for Services (35.8%; -\$261,728.71)

The collections at character 6 - Charges for Services are below the projected level because of delay in the billing of the FY 2008-09 hazardous materials fees. The hazardous materials fees are annual fees billed through the County of Los Angeles, which usually sends the checks to Torrance within the last three months of the fiscal year. The actual revenue reflected in the Budget Report as of January 31, 2009 is payments of FY 2007-08 fees.

The Fire Department submitted the data for FY 2008-09 to LA County in the end of August 2008. However, LA County, which was experiencing problems with their system, will mail out the 2008-09 CUPA bills on March 6, 2009. Businesses will have 60 days to pay. The 2009-10 bills are expected to be mailed by September 2009.

Emergency Medical Services Enterprise Fund 6501

Operating Transfers In (53.6%; -\$452,849)

Only an amount needed to balance the EMS Enterprise Fund was transferred from the General Fund, which was less than the budgeted transfer.

CITY OF TORRANCE
INTEROFFICE COMMUNICATION

DATE: March 5, 2009
TO: Eric E. Tsao, Finance Director
FROM: William Racowski, Fire Chief
SUBJECT: **Expenditure Variances at the Department Level-- Budget vs. Actual Mid-Year 2008-09**
(58.9% expired as of 1/31/09; Explanation of variances is needed by character where actual expenditures exceed budget by 5% and \$10,000.)

General Fund 1001

Other Operating Transfers Out (80%, -\$34,577)

Finance posted 100% of the transfers-out budget for Telephones, Radio, and Data Communications Replacement Funds in July so that the money is in the replacement funds before it was needed for expenditures. The PC Replacement fund is still booked throughout the year as needed.

Emergency Medical Services Enterprise Fund 6501

No reportable variances.

FISCAL YEAR: 2008-09

AS OF: 1/31/09

TO: Eric E. Tsao, Finance Director

FROM: Sheryl Ballew, General Services Director

DATE: March 11, 2009

**EXPLANATION OF VARIANCES – TOTAL BUDGET VS. ACTUAL
GENERAL SERVICES DEPARTMENT**

General Fund – Expenditures

**Account Classification – Other Operating Transfers Out
(87% expended, -\$15,132.61)**

Budget amounts have been entirely transferred for their respective telephone and data replacements at the beginning of the fiscal year. The budget will be in balance by year end.

Airport Fund – Aeronautical

**Account Classification – Other Operating Transfers Out
(97% expended, -\$18,027.72)**

Budget amounts have been entirely transferred for their respective telephone and data replacements at the beginning of the fiscal year. The budget will be in balance by year end.

Cultural Arts Center Fund

**Account Classification – Professional/Contract Services & Utilities
(66% expended, -\$23,328.26)**

The variance is a result of the majority of the expenses for the Torrance Cultural Arts Center Foundation occurring during the first half of the fiscal year. This includes a \$30,000 cash payment, in addition to in-kind support services. It is expected that professional service expenses will be in line with budget at fiscal year end.

Fleet Services Operating Fund

**Account Classification – Professional/Contract Services & Utilities
(85% expended, -21,372.43)**

The variance is due to various professional/contract services paid in the first half of the fiscal year. It is expected that professional service expenses will be in line with budget at fiscal year end.

(THIS PAGE LEFT INTENTIONALLY BLANK)

CITY OF TORRANCE
INTER-OFFICE COMMUNICATION

DATE: March 16, 2009

TO: Eric E. Tsao, Finance Director
FROM: Elaine M. Winer, Human Resources Director
SUBJECT: Explanation of Variances - Budget vs. Actual – Mid-Year FY 2008-2009

HR-Self-Insurance Fund (76%, - \$704,651)

The variance is due to a \$700,000 liability lawsuit settlement processed in the 2nd Quarter.

HR-Rideshare Fund – Revenues (\$55,568, 26.2%)

This variance occurred because 2nd Quarter Funding from the AQMD did not arrive until the 3rd Quarter.

(THIS PAGE LEFT INTENTIONALLY BLANK)

TORRANCE POLICE DEPARTMENT

INTRA-DEPARTMENTAL CORRESPONDENCE

TO: Eric Tsao
Finance Director

DATE: 4/15/2009

FROM: John J. Neu
Chief of Police

SUBJECT: Mid-Year Budget Update for Finance

The Police Department is projected to exceed budget by approximately \$700,000 by the end of the fiscal year. The largest variance is overtime for sworn personnel, projected to exceed budget by \$3.3 million as compared to \$3.2 million last year and \$2.4 million in 2006-07. Overtime is driven by activity in the City and by the number of vacancies in the Department. Overtime is constantly monitored by management for its effectiveness and efficiency. In previous years, the Department was able to use other areas of the budget to offset overtime costs. However, due to rising costs for materials and professional services, without corresponding increases to budget, the amount available to offset overtime costs has dwindled. As the Department shifts to "Team Policing," which will enhance how police personnel are deployed throughout the City, the Police Department will work toward reductions in overtime costs in future years.

John J. Neu
Chief of Police

FISCAL YEAR: 2008-09

AS OF: 1/31/2009

TO: Eric E. Tsao, Finance Director

FROM: John J. Neu, Chief of Police

DATE: 12 March 09

SUBJECT: 2008-09 Mid-Year Revenue and Expenditure Variances

REVENUES

1001 - General Fund

Licenses, Fees and Permits (24% Recognized, <\$45,597> Variance)

Oversized Vehicle Permit Fees are down due to this being the second program year. In the first year, existing oversize vehicle owners paid an initial permit fee. The annual renewal is a lower fee. There are fewer permits due to declines in oversize vehicle sales, and decreased usage of oversize vehicles due to higher fuel prices. (Oversized Vehicle Permit Fees revenue was budgeted as Police revenue and realized as Non-Departmental revenue. The amount received was \$14,403.)

4501 - Animal Control Fund

Licenses, Fees and Permits (38.3% Recognized, <\$44,208> Variance)

License enforcement efforts were down due to a vacant position. Most animal license revenue is received in the last few months of the fiscal year, after renewal notices are sent to pet owners.

Transfers from General Fund (47.2% Recognized, <\$27,993> Variance)

Budgeted amounts are transferred from the General Fund as needed, based on expenditures.

EXPENDITURES

1001 - General Fund

Liabilities, Settlements & Insurance (77% Expired, <\$81,935> Variance)

The variance is due to the settlement of claims.

Other Operating Transfers Out (94% Expired, <\$75,073> Variance)

The entire budgeted amounts are transferred to the respective Telephone, Data, and Radio replacement funds at the beginning of the fiscal year. The budget will be in balance at the end of the fiscal year.

FISCAL YEAR: 2008-09

AS OF: 01/31/09

TO: Eric E. Tsao, Finance Director

FROM: Robert J. Beste, Public Works Director

DATE: March 12, 2009

SUBJECT: Explanation of Revenue Variances - Total Budget vs. Actual for Mid-Year
FY 2008-2009 (58.9% Expired)

GENERAL FUND OPERATIONS

No variances to report

Sanitation- Refuse

No variances to report

Sanitation- Recycling

No variances to report

Sanitation- Waste Management

No variances to report

Water Fund Rpt23 – Revenues- Budget vs. Actual

Use of Money and Property (45.5% recognized, (\$66,812.84) variance) Page 131

This item is 45.5% due to lower investment earnings derived from a lower cash balance. The Pooled Cash and Investments Balance for mid-year fiscal year 2008-2009 is \$5,914,594, which \$2,990,028 less than 4th quarter balance ending fiscal year 2007-2008.

Sewer Fund Rpt27 – Revenues- Budget vs. Actual

Charges for Services (47.4% recognized, (\$252,610.95) variance) Page 167

This item is 47.4% due to account 1270 – Sewer Charges. The budget was adjusted upward by \$500,000 to closer align with actual revenue received in fiscal year 2007-2008; however, Sewer Charges are lower by approximately \$88,798 than last fiscal year's actuals due to slightly lower potable water sales. The decrease in revenue is consistent with lower regular potable water sales (measured by actual acre-feet sold).

AS OF: 1/31/09

TO: Eric E. Tsao, Finance Director

FROM: Robert J. Beste, Public Works Director

DATE: March 12, 2009

SUBJECT: Explanation of Expenditure Variances - Total Budget vs. Actual for Mid-Year FY 2008-2009

GENERAL FUND - Rpt3 By Department & Accounts-Exp-Budget vs. Actual

Other Operating Transfer Out (81% expended, (11,840.19) variance) Page 20

Operating transfers out are overspent due to transfers being fully charged during the first quarter.

SANITATION- Wastewater Rpt9 By Department & Accounts-Exp-Budget vs. Actual

Materials, Supplies and Maintenance (72% expended, (\$26,054.54) variance) Page 76

This character is overspent due to an increase associated with vehicle replacement cost and an increase in fuel cost.

SANITATION- Refuse Rpt3 By Department & Accounts-Exp-Budget vs. Actual

Other Operating Transfer Out (100% expended, (\$135,635.68) variance) Page 94

This account is overspent due to a transfer of \$329,181.51 to the Fleet Vehicle Replacement Fund 7202. These funds were used to purchase a new CNG refuse truck.

SANITATION –Waste Management Rpt21 By Department & Accounts-Exp-Budget vs. Actual

Liabilities & Other Insurance (73% expended, (\$10,638.16) variance) Page 125

Comprehensive Environmental Response Compensation & Liability Act (CERCLA) insurance is paid during the first quarter.

WATER - Rpt25 By Department & Accounts-Exp-Budget vs. Actual

Capital Acquisitions (95% expended, (566,247.81) variance) Page 143

This item is 95% due to a one-time land acquisition for a new Water Facility near Yukon Avenue. The facility was purchased in July 2008.

Operating Transfers Out (100% expended, (\$788,545.59) variance) Page 144

This item is 100% due to a one-time transfer to the Water Capital Projects Fund. This expense is offset by related revenue in the Water Capital Projects Fund (6403).

SEWER FUND – Rpt29 By Department & Accounts-Exp-Budget

Operating Transfers Out (95% recognized, (\$213,124.05) variance) Page 171

This item is 95% due to a one-time transfer to the Sewer Capital Projects Fund. This expense is offset by related revenue in the Sewer Capital Projects Fund (6802).

CITY OF TORRANCE

INTEROFFICE COMMUNICATION

TO: Budget Review Team

FROM: Kim Turner, Transit Director

DATE: March 12, 2009

SUBJECT: Explanation of Revenue Mid-Year Variances - Total Budget vs. Actual Recognized For FY 2008-09

FUND 6201 TRANSIT OPERATIONS

The analysis of Transit Fund Revenue Report 1, pages 1 and 2 reflect two (2) transit revenue items that are below budget (53.9%) by 5% and \$20,000 for fiscal year 2008-2009.

Account Classification "Intergovernmental" (37.0% and \$1,573,699.51).

This variance reflects the State Transit Assistance (STA) funding (#0730) account. STA funding is derived from the sales tax on diesel fuel and gasoline. Funding is distributed annually after the STA "Efficiency" test has been completed. Torrance Transit was recent informed that it has passed the FY 2008-2009 test and that funding should begin to flow shortly. Subsequent to January 2009, the State legislature reduced the STA funding for this year by \$1.1 million due to State budget shortfall.

Account Classification "Charges for Services"- (41.8% and \$2,204,029.99).

This variance is reflected in several accounts. They included the following:

- Account #1908 "**Passenger Cash Fares**" (44.0%). A fare increase was anticipated in July, 2008 but was not implemented until January, 2009.
- Account #1915 "**MTA Token Reimbursement**" (0.0%) Token reimbursement is performed on an annually or semi-annual basis depending on the number of tokens received. A token reimbursement will occur in June.
- Account #1919 "**EZ Pass Fare Revenue**" (36.0%). EZ Pass revenue is invoiced on a monthly basis. The variance reflects the lag in payment from the MTA.
- Account #1956 "**5% Security**" (0.0%). This variance reflects security revenue that is anticipated but has not yet been received. Security funding has historically been one of the last received and is expected to arrive in the immediate future. Staff will closely monitor this account to assure collection from the MTA.
- Account # 1960 "**Municipal Operator Service Program**" (0.0%). This variance reflects funds that have been invoiced but have not yet been received from the MTA.
- Account # 2002 "**Advertising on Shelters**" (49.0%) Revenue from this account arrives on a quarterly basis. The next quarterly payment will arrive in April, 2009.
- Account # 2017 "**Capital Maintenance Revenue**" (0.0%) Capital maintenance expenses are recovered in a portion of the annual federal capital grant. The current grant is awaiting submittal and should be approved by May, 2009.

CITY OF TORRANCE

INTEROFFICE COMMUNICATION

TO: Budget Review Team

FROM: Kim Turner, Transit Director

DATE: March 12, 2009

SUBJECT: Explanation of Expenditure Mid-Year Variances - Total Budget vs. Actual Recognized For FY 2008-09

The analysis of Report 3, "Budget vs. Actual by Department and Accounts – Expenditures-Budget vs. Actual" reflects one (1) transit account that exceeds budget by 5% (over 63.9%) and \$10,000.

Other Operating Transfers (65.0% and \$11,366.39) p 15-16.

The variance reflects the transferring of 100% of the budget funds at the beginning of the year rather than being pro-rated over the course of the budget year.

Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

SUBJECT: City Manager's Office – Approve capital budget for Web 2.0.
Expenditure: \$50,000

RECOMMENDATION

Recommendation of the City Manager that the Finance and Governmental Operations Committee appropriate \$50,000 from the Public, Educational, and Government Access (PEG) fund balance for Web 2.0 development and implementation, Phase III Citywide Web Redesign Project.

Funding

Funding is available in the Public, Educational, and Government Access (PEG) fund balance.

BACKGROUND/ ANALYSIS

The CITYWIDE WEBSITE REDESIGN (CWR) PROJECT was initiated in 2003. The overall project includes the following phases: Phase I, the complete reorganization of design and layout; Phase II, the addition of a Calendar; and now Phase III, the addition of Web 2.0 or two-way communication services. Products may include: Social Networking, RSS Feeds, Blogs, Podcast, Subscriptions, and E-newsletters.

The Web 2.0 is an opportunity to improve our ability to communicate with community and support on-going efforts of government transparency through effective and efficient uses of technology such as the internet.

- No additional personnel will be needed. All design and implementation work will be done by existing personnel and an off-site consultant.
- The initial impact to other departments will be to provide the Project Management Team (PMT) with information necessary to efficiently communicate the city's services, products, and events to our audience that consist of: Public (citizen, business, visitors, etc.); peers (other agencies – government, non-profit, etc.); internal (within our City government organization). The on-going impact to departments will be empowering them to directly communicate with our community in a more efficient and cost effective manner.
- The improvements should increase online usage, allow the community to connect to information they desire in a passive manner, locate information more efficiently, and better promote products and events.

- The improvements should also decrease telephone calls and direct email inquiries to the City from the public, peers, and within our city government.

Staff anticipates \$9000 in annual costs for maintenance and software support. The Communication & Information Technology Department will increase the Cable and Community Relations Division annual flat rate to support this program.

Respectfully submitted,

LeRoy J. Jackson
City Manager

By:

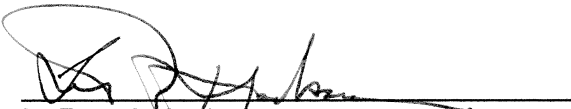


Michael D. Smith
Cable & Community Relations Manager

CONCUR:



Richard Shigaki
Director, Communication & Information Technology



LeRoy J. Jackson
City Manager

City of Torrance

Capital Improvement Project Request Form

Type of Project:

☐ Equipment ☒ Automation ☐ Infrastructure ☐ Facilities ☐ Other

Project Location: Citywide (torrnet.com)

Department: CMO/CIT

Project Title: WEB 2.0

Description: The CITYWIDE WEBSITE REDESIGN (CWR) PROJECT was initiated in 2003. The overall project includes the following phases: Phase I, the complete reorganization of design and layout; Phase II, the addition of a Calendar; and now Phase III, the addition of Web 2.0 or two-way communication services. Products may include: Social Networking, RSS Feeds, Blogs, Podcast, Subscriptions, and E-newsletters.

Justification: The Web 2.0 is an opportunity to improve our ability to communicate with community and support on-going efforts of government transparency through effective and efficient uses of technology such as the internet.

- No additional personnel will be needed. All design and implementation work will be done by existing personnel and an off-site consultant.
- The initial impact to other departments will be to provide the Project Management Team (PMT) with information necessary to efficiently communicate the city's services, products, and events to our audience that consist of: Public (citizen, business, visitors, etc.); peers (other agencies – government, non-profit, etc.); internal (within our City government organization). The on-going impact to departments will be empowering them to directly communicate with our community in a more efficient and cost effective manner.
- The improvements should increase online usage, allow the community to connect to information they desire in a passive manner, locate information more efficiently, and better promote products and events.
- The improvements should also decrease telephone calls and direct email inquiries to the City from the public, peers, and within our city government.

Project Costs

Estimated Project Implementation Cost

Additional Personnel Requirements:	
# of positions (within department)	_____
Annual labor costs (with benefits)	\$ _____
Additional Personnel Requirements:	
# of positions (support department)	_____
Annual labor costs (with benefits)	\$ _____
Equipment	\$ _____
Materials	\$ 50,000.00
Professional Services	\$ _____
Other	\$ _____
TOTAL	\$ 50,000.00

Status of Land: ☐ No land involved ☐ City owned ☐ Not yet acquired

Estimated Annual Ongoing Operating and Maintenance Costs

☐ None

Additional Personnel Requirements:

of position(s) - within department _____

Annual labor costs (with benefits) _____ \$

Additional Personnel Requirements:

of position(s) - support department _____

Annual labor costs (with benefits) _____ \$

Professional Services/Contracts _____ \$

Materials _____ \$

Equipment _____ \$

Other: Software Maintenance _____ \$ 9,000

TOTAL _____ \$ 9,000

Project Time Line

Fiscal Year Ending June 30

Description

Survey/Design

Plans/Specifications

Purchase/Construction

Other: _____

2008	2009	2010	2011	
	X			
	X			
	X	X		

Project Financing

Fiscal Year Ending June 30

Financing Source

PEG Fund

2009	2010	2011	2012	2013	TOTAL
\$50,000					\$50,000
TOTAL	\$50,000				\$50,000
Less offsetting revenue					
Net project request	\$50,000				\$50,000

Vehicle Request Approval (if necessary)

Automation Request Approval (if necessary)

Department Head Signature

Date

Department Head Signature

Date

Requested by:

Department Head Signature

Date

Department Priority # _____

Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Members of the Committee:

Subject: Community Development – Request to appropriate funds for Housing Assistance payments

Expenditure: \$275,000

RECOMMENDATION

The Community Development Director recommends the Finance and Governmental Operations Committee approve the appropriation of \$275,000 from the Housing Authority's Fund balance to cover the increased costs in rental assistance payments for the remainder of this fiscal year.

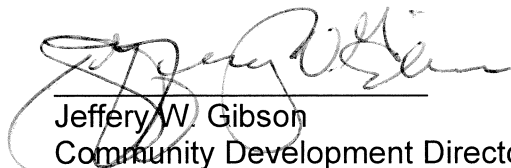
Funding

Funding is available in the Housing Authority's fund balance. The funding is used to subsidize rents for low income elderly, disabled and other families on the Section 8 Rental Assistance Program.

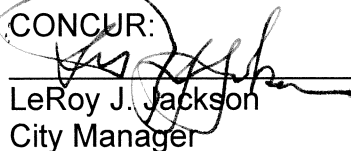
BACKGROUND/ANALYSIS

The U.S Department of Housing and Urban Development (HUD), an agency of the federal government, provides funding for housing assistance payments on a calendar year basis. The housing assistance payments have been steadily rising each month for factors such as increased lease-up and higher rental assistance to program participants; mainly due to the worsening economy. Funding is available from the Housing Authority's fund balance to cover these additional expenses. In maximizing the amount of assistance payments a maximum number of families can be assisted ensuring that all the funds available to the Housing Authority are utilized.

Respectfully submitted,


Jeffery W. Gibson
Community Development Director

CONCUR:


LeRoy J. Jackson
City Manager

Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

SUBJECT: Public Works – Conversion of Small Meters to Automated Meter Reading System (AMR) and Small Meter Retrofit Program.

Expenditure: \$270,000

RECOMMENDATION

Recommendation of the Public Works Director that the Finance and Governmental Operations Committee approve and appropriate \$270,000 for the Conversion of Small Meters to Automated Meter Reading System (AMR) and Small Meter Retrofit program.

Funding

Funding is available from the Water Enterprise fund balance.

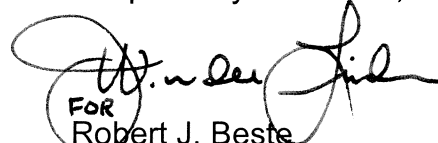
BACKGROUND/ANALYSIS

FEAP 548 for the Conversion of Large Meters to Automated Meter Reading System (AMR) and Large Meter Retrofit Program is complete; with the remaining \$270,000 from this project returned to the Water Enterprise fund balance. It is recommended to allocate these funds for the Conversion of Small Meters to Automated Meter Reading System (AMR) and Small Meter Retrofit Program. The large AMR Retrofit program was phase one of a multi-stage project to convert all meters to full AMR system.


The AMR system, once fully implemented, will permit meter readers to use laptop computers in vehicles to receive radio signals from AMR meters to retrieve consumption data of customers for billing purposes. As a result, the time taken to perform the function of meter reading could be reduced drastically.

AMR has a number of advantages compared to traditional meter reading practices including: a 75% reduction in meter reading time; improved meter reading accuracy/accountability; fewer callbacks for re-reads; detection of possible leaks at the customer's premises.

Respectfully submitted,


FOR
Robert J. Beste
Public Works Director

CONCUR:


LeRoy J. Jackson
City Manager

Attachment: A. FEAP Request Form

City of Torrance

FEAP Project Request Form

Type of Project:

☐ Equipment ☐ Automation ☒ Infrastructure ☐ Facilities ☐ Other

Requesting Department:

Public Works / Water Operations

Managing Department: Public Works**Project Leader: Alan Berndt**

**Project Location: Throughout
Municipal Water Service Area**

Project Title: Conversion of Small Meter Project

Project Start Date: May 2009

Estimated Completion Date: March 2010

Description: This project provides for the implementation of a conversion program for residential small meters to an automated metering system (AMR), which will be performed in conjunction with corresponding residential meter change out program.

Justification: Torrance Municipal Water currently has 26,000 meters in service of which 3,500 meters are AMR. Our standard plans for new construction include the installation of AMR meters and Water Operation Staff has recently completed large meter change out program. Residential water meters are reaching the age of there useful life and will be replaced on a phased basis with AMR units over the next 5 years. As a result of this change out we expect to convert another 1,200 meters bringing the total AMR units to approximately 15 percent of our total meters in the system.

Impact of Non-Approval: Due to age of meters, City may experience a loss of revenue due to under registration of water.

Other Alternatives Considered: No

Project Costs

Estimated Project Implementation Cost (ONE TIME COSTS)

	Within Dept	Support Dept.	Comments:
Personnel Requirements			
# of Positions			
Labor Costs:	\$ 0	\$ 0	
Per Comp Detail Report-Total			
Date of Comp Detail Report <u>MM/DD/YY</u>			
Equipment	\$ 0	\$	
Materials	\$ 270,000	\$	
Professional and contract services	\$ 0	\$	
Other:	\$	\$	
Other:	\$	\$	
TOTAL	\$ 270,000	\$	

Estimated Annual Ongoing Operating and Maintenance Costs (UPON PROJECT COMPLETION/IMPLEMENTATION)

☒ Not Applicable

	Within Dept	Support Dept.	Comments:
Personnel Requirements # of positions			
Annual Labor Costs:	\$	\$	
Per Comp Detail Report-Total			
Date of Comp Detail Report <u>MM/DD/YY</u>			
Materials	\$	\$	
Equipment	\$	\$	
Professional and contract services	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Other	\$	\$	
TOTAL	\$	\$	

Project Time Line

Fiscal Year Ending June 30

<u>Description</u>	2008-09	2009-10	2010-11	2011-12	2012-13
Survey/Design					
Plans/Specifications					
Purchase/Construction		x			
Other: <u>Installation</u>		x			

Project Financing

Fiscal Year Ending June 30

Financing Source

Water Fund

TOTAL COST

2008-09

2009-10

2010-11

2011-12

2012-13

TOTAL

\$200,000

\$70,000

\$270,000

\$200,000**\$70,000****\$270,000**

Requested by:

Department Head

Date

Department Priority # :

High

Medium

Low

X

Type an X in the box if project is:

High, Medium or Low

April 17, 2009

COMMITTEE MEETING
April 21, 2009

Honorable Chair and Members
Of the Finance & Governmental Operations Committee
City Hall
Torrance, California

The Treasurer's Office and the Investment Advisory Committee have set out to develop and implement investment procedures that insure the City's investment objectives of a high degree of asset safety, an adequate liquidity to meet operating and capital expenditure needs, and a reasonable return of the City's investment assets given the City's foremost goals of safety and liquidity.

Investment Summary

As of January 31, 2009 total investments of \$305.2 million consisted of the following categories:

1) Pooled Funds (Investment Portfolio)	\$188.8 million
2) Restricted Funds:	
a. Debt issue proceeds	\$ 10.1 million
b. Deferred Compensation	
1) 457	\$ 98.7 million
2) 401(a)	\$ 4.1 million
c. Retirement Health Savings Plan	\$ 3.5 million

The pooled Funds consist of surplus funds invested and managed directly by the City Treasurer. To date the fund has generated year-to-date interest earnings of \$4.4 million and the effective rate of return equaled 3.73%.

The restricted funds, made up of the Debt issue proceeds, Deferred Compensation funds and the Retirement Health Savings Plan are invested accordingly:

- 1) Debt issue proceeds are invested through a trustee appointed under the Debt Trust Indenture. The funds are invested at the direction of the City Treasurer.
- 2) Deferred Compensation fund is managed by a third party administrator - Great West Life. Investment options made available to the participants are selected and approved by the Deferred Compensation Committee. The fund is a self-directed program. Participants have the ability to direct their contributions among several different investment options.

- 3) The Retirement Health Savings Plan is managed by a third party administrator – ICMA Retirement. Investment Options are made available to the participants and are selected by ICMA Retirement. Participants can direct their contributions among several different investment options. This tax-deferred program has been offered to employees for the purpose of saving dollars to supplement the cost of health expenses upon retirement.

NOTE: The Deferred Compensation Plans and the Retirement Health Savings Plan are held in a custodial account for the benefit of the Participant or their Beneficiaries and is not an asset of the City of Torrance.

Investment Forecast

The Federal Open Market Committee has taken a proactive approach to the current federal funds rate by lowering its target rate 175 basis points to .25 percent over the last four meetings. Financial markets remain under considerable stress, and credit has tightened further for some businesses and households.

What does this mean to rates across the short and intermediate curve? Rates on a whole have declined due to the decision of the FOMC to lower the federal funds rate. The portfolio will experience a decline in the average rate of return due to lower interest rates and will probably continue over the next several months.

GASB 31 Impacts on Investments

GASB 31 took effect June 1997. The intent of GASB 31 is to bring to light potential liquidity problems by requiring municipalities to mark to market their securities with a maturity greater than one year. This paper gain or loss must be booked against investment earnings at year-end.

One way to avoid the gain/loss issue is to limit all purchases to maturities of less than one year. This condition would then preclude a market valuation and allow investments to be carried on a book value basis. This situation could reduce earnings potential in the loss of yield that a security with a longer term would usually offer.

Within our investment policy we adhere to a buy and hold philosophy. Therefore, our current strategy will not change in light of GASB 31. We will continue to place a percentage of the portfolio out longer on the yield curve to take advantage of higher earnings. At the same time we keep in excess of 35% of the portfolio liquid in order to meet current and future obligations.

At the present time the monthly investment report tracks all securities by listing the face value, book value and market value. The portfolio paper gain or loss is the difference between book and market value. The unrealized gain/loss is noted monthly even though it is not physically applied to earnings until year-end.

Investment Strategy

For the past four months, the activity has been positive. All securities that have matured or been called have been re-invested or deposited in the Local Agency Investment Fund. However, due to the declining market environment all new purchases are earning a lower rate of return. The average yield to maturity on purchases made over the last four months was 2.98%.

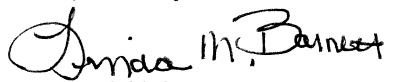
Strategically, we will continue to place money out in the market. Although the market would encourage a very short portfolio, it is not our intent to change our objectives of matching purchases with cash flow needs. We will continue to place investments out on the yield curve to take advantage of a higher rate of return with funds that are not needed on the short term.

To be consistent with the City's objectives of high degree of Asset safety, all investments will be invested in high quality rated instruments or those guaranteed by the "full faith and credit" of the government.

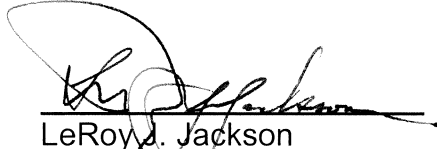
Recommendation

Accept and file the 2nd Quarter Report.

Respectfully submitted,


Linda M. Barnett
City Treasurer

NOTED:



LeRoy J. Jackson
Investment Committee Member

